The Daily Star

FOUNDER EDITOR
LATE S. M. ALI

DHAKA SUNDAY FEBRUARY 8, 2009

Why all these political theatrics?

Nearly four-decade old trade agreement is only being renewed

EVER since Indian External Affairs Minister Pranab Mukherjee's visit to Dhaka had been slated, the opposition BNP found it politically convenient to raise concerns over perceived transit and corridor accords between India and Bangladesh being in the offing. Then, with the Cabinet approving renewal of the pre-existing bilateral trade agreement, the BNP has literally raised a hue and cry threatening street protests.

To the BNP's public pretense on a routine and pre-existing bilateral protocol, the AL was quick to point out, as if to sanctify her position, that the three-year trade accord was signed by former President Ziaur Rahman in 1980 and that it is now being only renewed by the AL government. The facts of the matter though, are: it was originally signed by Bangabandhu Sheikh Mujibur Rahman in 1972 and since that time on it has been renewed every three years over the last nearly four decades under HM Ershad, Khaleda Zia during two terms and Sheikh Hasina. It was last renewed under BNP government on March 21, 2006 and it now falls due for renewal under the present AL government.

Why is the BNP playing a game to mislead the public? Whenever it comes to dealing with India why must we betray a lack of conviction in doing something that is intrinsically proper, customary in inter-state relations and historically sound.

The constant feature of the accord over the last nearly four decades as embodied in Article VIII reads: "The two governments agree to make mutually beneficial arrangements for the use of their waterways, roadways and railways for commerce between the two countries for passage of goods between two places in one country through the territory of the other". The AL government is essentially renewing it.

However, if and when questions of reaching accord on transit or transshipment should arise, the matter should be openly and comprehensibly debated in the Parliament to carry public opinion with it, and so that it can be a win-win, sustainable agreement for all the parties concerned.

Hospital land commandeered in Tejgaon

Government must reclaim it for health ministry

NOW that an elected government is in office, it is time to expect swift action on some prime plots handed out by the previous BNP-Jamaat alliance government to its loyalists and friends between 2002 and 2006. Originally marked out as a site for a future hospital back in 1973 (and in fact the foundation for the building was laid by then prime minister Sheikh Hasina in 2001), the 25 bighas of land in question were and are the property of the ministry of health. The alliance government simply commandeered 14 bighas of the land and gave them out to its friends and supporters at throwaway prices. Indeed, among those who benefited from such questionable munificence of the then government were some media people only too happy to be part of what came to be known as a media palli loyal to the powers that were.

It was expected, therefore, that once a report on the Tejgaon land was prepared by the health ministry in June last year, the caretaker government would go into action. The report recommended reclaiming the land from those who had acquired it from the alliance government and handing it back to the ministry. Such action was not taken. But now with a new government in office, work must be expedited, in the public interest, in righting the grievous wrong that has been committed. Such action needs to take quite a few factors into consideration. In the first place, the ministry of health must explain why, despite its being allotted the land in 1973, it did not feel any need to prepare the proper legal documents relating to its ownership of the property. In the second, those who through being part of the BNP-Jamaat government sold 14 bighas of the land despite knowing full well that the land was public property must be identified and made to answer for their actions. In the third place, the authorities must move quickly to free these 14 bighas from the occupation of those who have taken it under their possession.

What has been happening around the Tejgaon property is corruption pure and simple. A whole group of people, indeed an entire political administration, connived in depriving the state of land that rightfully belongs to it. We strongly urge that the new government take up the report that is already there and apply all legal and practical means to reclaim the land from those who made use of their connections to occupy big slices of it. There is no room for any second thoughts here.

So far away

Saudi Arabia and Kuwait, other two major destinations of Bangladeshi workers, have also significantly reduced issuance of work visas to Bangladeshi workers. Saudi Arabia recruited only 1,531 Bangladeshi workers in December and 981 in January this year.

A.N.M. NURUL HAQUE

THE government's plan to send some 40 lakh skilled or unskilled workers abroad during its tenure to fulfill the election pledges for poverty alleviation, outlined by the expatriate welfare and overseas employment minister on January 28, is merely wishful thinking far away from reality.

Opportunities for overseas employment have come down sharply in the recent days and many Bangladeshi workers are losing their jobs abroad in the midst of global economic meltdown. A recent ILO report said that global unemployment in 2009 could increase over that of 2007 by a range of 18 million to 30 million workers, and more than 50 million if the meltdown continues to deteriorate.

Statistics of the Bureau of Manpower Employment and Training revealed that only 44,378 Bangladeshis got jobs abroad in December and 46,267 in January, while 75,516 workers joined overseas jobs monthly on an average during 11 months of 2008.

This declining rate of overseas employment is likely to dip further in the days ahead as Malaysia and the United Arab Emirates (UAE), two major destinations of Bangladeshi workers, have already reduced the number of employing Bangladeshi workers.

Malaysia, which recruited 11,369 Bangladeshi workers monthly on an average in the first 11 months in 2008, has recruited only 6,701 workers in December and 5,694 workers in January, indicating decrease in recruitment. Malaysia's deputy prime minister recently told the parliament that his government is taking steps to reduce the number of foreign workers by 400,000 per year until 2010.

UAE, which employed nearly 395,000 workers out of 832,000 from Bangladesh in 2008, has reduced issuing work visas because of the global economic meltdown. Though UAE employed nearly 36,000 workers from Bangladesh on an average each month until November 2008, it employed only 23,978 workers in December and 25,463 in January this year.

Saudi Arabia and Kuwait, other two major destinations of Bangladeshi workers, have also significantly reduced issuance of work visas to Bangladeshi workers. Saudi Arabia recruited only 1,531 Bangladeshi workers in December and 981 in January this year.

Bangladeshi workers are also losing jobs in Singapore, which is facing serious global economic meltdown, mainly in its shipping business. Around 10,000 Bangladeshi workers who lost jobs in Singapore were provided with food and shelters by some charities in that country.

Besides, being irked by recruitment irregularities and malpractices, some countries have already squeezed access of Bangladeshi workers to their job markets while some others are planning to. Recruitment irregularities and malpractices run rife in the overseas employment sector and people seeking job abroad pay the price, sometimes with their lives. Sadly, the successive governments had failed in taking stern action against the unscrupulous syndicates responsible for facilitating illegal exit to job-seekers abroad.

MUNIR UZ ZAMAN/DRIK NEWS

Can we continue to be the world's cheap labour source?

The market for unskilled labour is shrinking fast all over the world, as major employing countries are now switching over to high technology based production and services which need skilled labour.

The government now needs to take serious efforts for establishment of more technical institutions across the country in a bid to impart international standard training to the workers on topics that have demand abroad so that they can enter the new job markets.

The apprehension of mass scale retrenchment of migrant workers as the fallout of the global economic meltdown is looming large all over the world. The world witnessed the shedding of 9,000 jobs per day on an average in January and 80,000 job cuts in a single day on January, which is alarming indeed.

The Canadian economy lost 34,400 jobs in December, driving the unemployment rate up to 6.6 percent. It was the second month of heavy job losses, after 70,600 were shed in November.

The brutal acceleration of job losses suggests a vicious downward cycle for the world's biggest economy, the US, which lost 524,000 jobs in December and a staggering 2.6 million jobs in all of 2008.

Emerging economy of China is also struggling with its six million migrant workers returning from closed export factories to the rural economy.

The brunt of the global economic meltdown has already been felt in Bangladesh in the field of exporting labour abroad. But a silver lining to this cloud is still there, as countries like Libya, Jordan, Qatar and Syria need foreign workers. Therefore, the government along with all other overseas job-linked bodies, must now concert their efforts towards exploring new job markets.

A.N.M. Nurul Haque is a Daily Star Columnist.

Riders to the bank

But at long last, one can see the first glimmer of the common man's revolt against the arrogance, impunity, and self-indulgence of the rich. The heat of popular anger is beginning to singe the wings of high-fliers.

M.J. AKBAR

J.M. Synge is not a name to send a modern aesthete into ecstasy, but in the days when English literature was taught in schools and colleges, rather than merely English, his plays were a standard text. *Riders to the Sea*, a moving depiction of the sorrows of fishermen who went out into the treacherous Irish Sea, was a personal favourite.

Like so many other perennially broke Irish writers in the first quarter of the 20th century, Synge preferred to live in Paris rather than Dublin. He had a good friend, Stephen MacKenna, equally penniless. When asked how they managed to survive, someone replied: "Oh, Synge lives on what MacKenna lends him and MacKenna lives on what Synge pays him back."

This story is the finest metaphor for the current state of capitalism and the equation between the world's most powerful governments and the world's most powerful capitalists. Capitalists are living on what the government hands out, and the government is living on what the capitalists pay back. The fact is that both are broke.

The obscene manner in which Western governments have gifted money to irresponsible banks and corporations, without demanding a hint of accountability in return, has finally begun to shock the taxpayer whose money is being misused by fatcats. Misuse is an underestimation. Some of the facts about the behaviour of American chief executives are enough to make anyone vindictive. I offer a sample:

- Wells Fargo, the huge American bank which got $25 billion in federal funds, planned to use some of it on "employee recognition outings" at luxury hotels in Las Vegas.
- Bank of America, which got $45 billion, sponsored a five-day carnival outside the stadium where the Super Bowl was played.
- Morgan Stanley, which received a mere $10 billion, parties at a three-day conference in Palm Beach, and was going to send senior employees to Monte Carlo and the Bahamas until the silly puritans called taxpayers stopped the dance.
- Citigroup, which was handed out $50 billion, flew out its former chief executive for a Christmas holiday in a company jet to a $10,000-a-night resort, just after it had sacked 53,000 employees worldwide. The jet was equipped with a full bar, fine wines, carpets, Baccarat crystal, Christofle silver, and pillows made from Hermes scarves.
- John Thain, an auto executive, found himself in trouble for ordering a commode for the office that cost $35,000. Actually I have heard of an Indian fatcat who bought eight $20,000 commodes for his private use at home with office money, but then he may have got the same pot at Indian discount rates. So it is possible he is arguing before his board, if the board has the guts to question him, that he saved the company money.

In India, of course, we generally glorify and glossify, if one may be permitted to coin a word, anyone who steals shareholder money, so commodes are small excreta.

But at long last, one can see the first glimmer of the common man's revolt against the arrogance, impunity, and self-indulgence of the rich. Barack Obama, who is more populist than insurrectionist, would not have capped salaries of chief executives of funded firms at a pitiful half a million dollars, and delayed bonuses till funds had been returned, if he had not heard anger on the American street.

One cannot accuse such executives of having lost their moral bearings, for they had no morals. What is probably far more dangerous is that they have lost their common sense. Wealth, individual and corporate, has removed them from the real world. They have been floating in a Paradise of bubbles and such has been their swoon of self-induced ecstasy that they did not hear bubbles burst even when their companies became beggars.

Feudal dynasts used to survive on the principle that they could never be mistaken, and if anything did go wrong it was someone else's fault. Their rights and lifestyle were impervious to change. Capitalism has produced its own non-hereditary royalty, financed just as the old rulers were, by public money. Elected officials have become the conduits through which a thin veneer of legality is accorded to the loot of public monies.

Since globalisation has turned the world into a village, it is entirely appropriate that we take an instance from Singapore, on the other side of the world geographically but very much part of the "West" economically. A high-ranking government officer, a permanent secretary, has enraged the country by boasting about having taken expensive private cooking lessons in France. Tan Yong Soon spent $46,000 (Singapore dollars, but still dollars) on his three-member family to become educated in the arts of high cuisine. This did not go down too well with his fellow-citizens, thousands of whom are losing jobs or taking pay-cuts to survive. The bureaucracy, among the highest-paid in the world, has no such worries.

Correction: had no such worries. The heat of popular anger is beginning to singe the wings of high-fliers. People want success without excess, and when Synge and MacKenna lend and return to each other they had better do it in cash that actually buys something, rather than IOUs.

M.J. Akbar is Director of Publications, Covert.

Quality of growth

In international trade, the terms of trade are almost always against the underdeveloped world. Politically, the iron curtain may have come down, but the digital divide between the developed and the developing countries remains.

KAZI ANWARUL MASUD

A recent World Bank study found that while the world faces unprecedented opportunity to reduce global poverty and improve human welfare, much depends on the quality of growth pursued by different countries.

At any given time, the study reveals, governments have at their disposal 25% to 40% of national income to spend and distribute across social groups. Since growth is clearly linked with reduction in poverty, the composition of government spending would determine the quality of growth and consequently reduction of poverty.

The study differentiates between government expenditure on public goods and private goods. Public goods are defined as expenditure that complements rather than substitutes for production in the private economy. The present US-UK bailouts, expenditure on education, health, social security, public infrastructure, institutional development, law and order fall in this category as these expenditures have spill over benefits for the people.

The writers of the study, however, consider commodity subsidy (energy, agriculture), corporate subsidy, etc as being harmful as these are mostly results of political lobbying and can have market distortion effect.

However, while conceptually the authors may be correct, in countries like Bangladesh subsidies given to energy and agricultural sectors are more likely to bring about a fairer distribution of wealth than the unbridled capitalism practiced in the West.

The announcement by the new Bangladeshi government to reduce price of diesel and fertiliser should help farmers to have more income and help reduce price of some essentials as the subsidy would lower the cost of production.

One must, however, admit that the world, and Bangladesh is no exception, is facing a food crisis that has to be tackled in all earnestness. The Madrid Conference on Food Security held on January 26-27 underlined the existence of the global crisis.

Professor Jeffery Sachs presided over an ad-hoc advisory group meeting prior to the Madrid Conference that held that desperate hunger had been made worse by the global meltdown for one billion people out of 6.5 billion inhabitants of the earth.

The meeting recommended boosting of productivity of small holders that would result in more food and food security for farm families, greater income for the poorest of the poor, and escape from poverty by commercialisation of subsistence agriculture.

The meeting was optimistic that massive scale up of food yield and productivity through application of improved technology is possible by infusion of money through financial co-ordination mechanism (FCM) as a part of World Bank's Global Food Crisis Response Program (GECRP) and Multi-Donor Trust Fund (MDTF) that would provide critical inputs to small farmers and help transition from subsistence farming to commercial farming.

The problem is that any initiative that involves contribution from donor countries has been historically fraught with danger. The promise by the developed countries to give 0.7% of their GDP as aid and assistance made decades back is yet to be fulfilled. Major part of the investment and capital infusion continue to remain within the borders of the First World. Technology transfer from the developed to the developing world still remains mired in bureaucratic bottlenecks.

In international trade, the terms of trade are almost always against the underdeveloped world. Politically, the iron curtain may have come down, but the digital divide between the developed and the developing countries remains.

It is sometimes argued that the flow of aid and loan to cash-starved developing countries is not being properly used, posing as a bottleneck in the path of development.

If Bangladesh is taken as an example, it has been calculated that from 1972 to 2006 the country was committed a total of about $54 billion, out of which it received $45 billion. In 2007, out of $1.6 billion of foreign assistance $1.1 billion was loan and $590 was grant.

It has been noted that the proportion of grant aid has been declining steadily. The flow of food and commodity aid has also been declining. Unsurprisingly, the beneficiaries of the assistance have not been the recipient countries, as 80% of the total foreign aid goes back to the donor countries in the form of import payment and 15% to local importers, indenters, and bureaucrats.

Foreign aid has played an insignificant role in stimulating growth. Another effect has been that while per capita debt obligation was $6.59 in 1974 it has risen to $140 in 2006.

Kazi Anwarul Masud is a former Secretary and ambassador.