

Lingering angst at year end

The year 2009 started with promises of a break with the past. The BNP's boycott of Parliament and its increasingly strident attack on the government have demonstrated that the past is very much with us. It would also be quite easy to point to critical areas of governance where it rather looks like business as usual.

MAHFUZUR RAHMAN

TWO years ago I thought the year that had just ended was an extraordinary year and said so on these pages. I still think 2007 was out of the ordinary. With devastating floods, a cyclone that mangled the south of the country, and a military-backed caretaker government, the year will remain in public memory for some time. The cat cartoon controversy of the year was something I shall not soon forget.

The year 2009 will go down in the history of the country as truly out of the ordinary. Crime and a punishment will endure as high points of the year. The crime was committed at the start of the year; the punishment was a court verdict on a crime committed more than three decades ago.

In February, mutineers at the Bangladesh Rifles Headquarters massacred army officers in an unconscionable act of violence. In November, the highest court of the country upheld the death sentence handed down much earlier to army officers who killed the founding father of the nation along with most of his family. The people of the country

had waited long years for the verdict. Now justice has been done.

Most of all, however, it is a change in the political landscape of the country that makes the year truly extraordinary. The general election of late December 2008 swept an Awami League-led government to power. The magnitude of the victory surprised not only the country but the victors as well. More significant was the great potential for change that Awami League's victory opened up. Hopes and expectations rose. Ideas that once fired the great political movement for self-determination and ultimately led to the creation of Bangladesh, suddenly appeared to get a new lease of life.

By most accounts the election that brought the new government to power was free and fair. Fair elections are no synonym for democracy, but the elections of December appeared to restore in some degree the people's confidence in the democratic process. People with a secular bend of mind -- count me in -- rejoiced. Optimism about the country surged.

Yet, at year-end, much of that optimism seems to have dissipated, replaced by lin-

gering anxiety. There is a great deal to be anxious about. Admittedly, the evidence is anecdotal. But when did the anecdotal nature of evidence prevent generalisations being made by political commentators?

And I am not thinking just about traffic jams in Dhaka. To be sure, the rapid deterioration of traffic conditions in the capital city is a cause for great concern. It is being said with increasing frequency that Dhaka will soon be unlivable. Depending on how you look at it, traffic-clogged streets of the city seem to portray our society at large: stuck. But the anxiety goes far beyond.

There is the economy that is only muddling along; shortage of power is crippling economic activity and multiplying human misery; pollution and global warming pose huge and complex problems; corruption is rampant; "Islamic" militancy remains a threat to the secular foundations of the state.

But did not the election provide a huge mandate to the new government to tackle these problems and did it not provide a stable political framework within which they could be tackled? On the mandate there is little doubt. The Awami League-led government did make election pledges that were spelt out in considerable detail. Those reflected the government's vision for the future of the country. The electorate appeared to like them and said yes. Nobody expected the government to solve the problems of the country in a matter of months. But the pledge was expected to be redeemed.

Far less clear is the matter of a stable political framework. With a huge majority in Parliament, the stability of the government

should not normally be in doubt. But a certain degree of consensus among the major political groups is essential for a stable political framework within which a democratic government can function. And that has not happened in the last twelve months. That promises to be the enduring worry for the foreseeable future.

The opposition, led by the BNP, turned to the politics of spite almost from the morning after the vote. It found its first expression in the opposition boycott of Parliament. The reason for the boycott advanced by the BNP was flimsy: that the opposition had been given too few seats on the front benches of parliament.

In fact, the number front seats allocated to it was proportionally more than that given to the Awami League when it was in opposition and the BNP was in power. Weeks of haggling produced no result. The boycott continued. So did the sad tradition of political parties making parliament dysfunctional unless they were in power.

The boycott of Parliament was accompanied by allegations that the Awami League-led government came to power through an election whose results were supposed to have been "fixed." It actually sounds better in Bengali -- patano. By all accounts, the election was the fairest on record. But apparently, to the BNP, the test of fairness of the election was whether it resulted in a victory for the party. Since it did not, it must have been unfair. It has never been clear, though, whose hand it was that fixed the election results.

Soon the party's attack on the govern-

ment turned increasingly venomous. To the allegation that the election was fixed was added another prong we have long been familiar with. The Awami government, it is being ever more frequently alleged, has come to power only to do the bidding of a foreign country. It does not take great intelligence to figure out the foreign country in question.

Hardly had the new government been installed than the Tipaimukh dam issue arose. The proposed dam in India, across Bangladesh's north-eastern border, can have serious adverse consequences for the lower riparian country and its construction must be preceded by detailed study in which the two countries should collaborate.

But to the BNP it is a fait accompli, and the Awami League-led government is not protesting. Here is proof enough, cries the BNP, that the present government has come to power only to serve the interest of its Indian masters. The party's Secretary General, Khandker Delwar Hossain, never tires of leading the chorus.

What else is the government that came to power with overwhelming electoral mandate, and is led by a party that was at the forefront of its independence movement, doing to undermine the very country it has pledged to serve? To Mr. Hossain, the list is long. But I believe he outperformed himself when he recently suggested that the present government was ruining the garments industry of the country to serve the interests of a particular foreign country.

In tarring the present government with the pro-India brush, the opposition is ably

supported by a phalanx of individual analysts. At a recent round table discussion on the prime minister's forthcoming visit to India one stalwart said that the talks must not result in something harmful for Bangladesh. So much for confidence in an elected prime minister standing up for her own country!

Such politics of spite does matter for the government and the country. One should not underestimate the power of propaganda. Lies and misinformation can be a potent poison to undermine the government through changing people's attitudes and eroding their trust in the government.

The year 2009 started with promises of a break with the past. The BNP's boycott of Parliament and its increasingly strident attack on the government have demonstrated that the past is very much with us. It would also be quite easy to point to critical areas of governance where it rather looks like business as usual. It would be equally easy to call attention to mindsets -- of not just politicians -- that have plagued us as a nation in the past and still do.

The BNP is protesting against the alleged attempt by the Awami League-led government to blot out the name of its founding leader. Sounds familiar? Reminds you of the systematic blotting out of the name of the founding father of the nation during BNP rule? I thought I heard a glorious bang at the start of the year; I have a feeling it is ending with the proverbial whimper.

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ONE YEAR OF THE GOVERNMENT

Agriculture: Kudos to a passionate driver

With the initiation of a number of innovative policy measures, renewed focus on market and infrastructure development, increasing commitment for easier access to credit, the government seems to be dedicated to ensuring food security and achieving self-sufficiency in food production by 2012.

AMAMUN RASHID

SHE is known as "Daughter of Fire" and she has been able to instill the fire in the minds millions of people in Bangladesh in 2009. Forty eight percent of the country's labour force is engaged in the agriculture sector. Mrs. Matia Chowdhury, after taking over as minister of agriculture, has demonstrated strong commitment to provide a better life to these people by initiating policy reforms, providing easy access to agriculture inputs, lowering cost of production, focusing on higher production of food grains, and issuance of identity cards to 18.2 million farmers to reach subsidy to the target segment. For the first time, we can see the development roadmap clearly.

Bangladesh faces a number of challenges in the agriculture sector, such as inadequate agriculture infrastructure, scarcity as well as gradual reduction of cultivable land, access and timely availability of agriculture inputs such as fertilizers, seeds etc., weak distribution management and network, lack of storage capacity, lack of research and development etc.

With the government's renewed focus, food grain production in FY2009 increased

by 8.1% over FY2008. The government actually turned out to be a quick fixer of a number of crises. First of all, it kept its promise to readjust fertilizer prices. During May-December 2008 farm level prices of all types of fertilizers increased significantly, with urea and TSP (triple super phosphate) prices doubling, because of global price hike.

The government took the right decisions at dire moments by providing subsidy on non-urea fertilizer to promote balanced fertilizer use, fixing supply side constraints and reducing the cost of production by providing and continuing the subsidy on diesel and kerosene. Not only had the government formulated the policy, it was also able to execute the policy measures by implementing the decisions at the field level and ensuring that farmers were able to obtain fertilizer at the declared prices.

The government confirmed its strong support to the agriculture sector throughout 2009. First of all, the sector was identified as one of the core sectors in the initial stimulus package of the government declared in 2009. Of the Tk.3,424 crore stimulus package, Tk.1,500 crores was allocated as agriculture subsidy, Tk.500 crores for farm loan re-capitalisation and

Tk.374 crores for social security (food), which constituted about 69% of the total stimulus package. In the FY2009-2010 budget, 7.8% of the proposed ADP, Tk.30,500 crore was allocated for the development of the agriculture sector, including non-farm areas like fisheries, livestock, water resources etc.

The budget also highlights the need for developing agriculture infrastructure through expansion of irrigation infrastructure, expansion of cultivable lands, prevention of river erosion etc., and allocated Tk.1,309 crores of ADP for agricultural and rural infrastructure development. The government also promised to continue agriculture subsidy to the tune of Tk.3,600 crores in FY 2009-10. In line with this the prices of fertilizer decreased further in November 2009. Prices of TSP, MOP and DAP have been reduced to Tk.22, Tk.25 and Tk.30 per kilogram from Tk.40, Tk.35 and Tk.40 per kilogram set in April 2009.

The government is planning to undertake a number of programs and projects for developing high yield variety seeds and storage capacity at a cost of Tk.280 crores. Tk.185.21 crore has been allocated for agricultural research and agricultural rehabilitation assistance for maintaining the growth of crop production. The ministry of agriculture was able to draw Tk.5,965 crore in FY 2009-10 budget for both development and non-development sectors.

The new government also refocused on agriculture lending and access to agriculture credit. Bangladesh Bank issued a detailed policy guideline, "Agriculture / Rural credit Policy and Programme," which emphasised area-based crop production approach, access to easy terms of credit, adequate lending to successful

farmers, transparency in extension of credit, etc. With these policy objectives the government has increased the agricultural loan disbursement target from Tk.9,379 crores in FY 2008-09 to Tk.10,000 crores in FY 2009-10.

Under the leadership of Mrs. Matia Chowdhury, we are observing a number of positive changes in the policy measures. The government has taken initiatives to prepare a comprehensive user-friendly database on farmers. Research and development on mechanisation of agriculture and appropriate agricultural machinery and equipment will be carried out. The government is working at the policy level to develop market infrastructure to build up an effective value chain between producers and consumers. It is also planning to set up an agriculture price commission to provide guidelines to strengthen agricultural marketing and to ensure fair price for farmers and affordable price for consumers. Quality assurance in both the production and the supply ends is also set as a priority.

With the initiation of a number of innovative policy measures, renewed focus on market and infrastructure development, increasing commitment for easier access to credit, the government seems to be dedicated to ensuring food security and achieving self-sufficiency in food production by 2012.

While the government is focusing on rightly identified issues and working on the policy measures, we must not forget "where the shoe pinches." In the past, saw policies formulated without any effective monitoring process. A cohesive policy should be formulated to determine the terms of trade and pricing. The core chal-



Beginning to flourish.

lenges of the government will be to draw market-driven solutions in terms of managing the distribution network, creating a balance between market prices and consumer desired prices and, most importantly, timely availability of resources.

The government should encourage and engage the private sector to play a critical role in initiating reforms in the agriculture sector and managing the transition to commercial agriculture for optimum use of land and return on investments. The private sector can play a major role in terms of ensuring supply and distribution of agriculture inputs at the right time, which remains a major challenge for the government. Private sector commercial banks/ financial institutions can also play a pivotal role in terms of reaching the

subsidies to the target market, hence ensuring accountability.

The ministry of finance and the NGOs' wide network can be used for channeling the agriculture inputs. The core objective should be stick to the primary mission of attaining food security through offering right incentives to the growers, not tripping off from the path by creating pseudo employment and having policy and governance failure like in the past. I am sure, with "passion in the heart and fire in the belly," Mrs. Chowdhury appreciates all these and as usual will remain firm to ensure that "the terms of trade" always remain in favour of rural Bangladesh.

Mamun Rashid is a banker and economic analyst. The views expressed in this article are of his own.

Remittance: Behind shiny statistics

The Ministry of Expatriates' Welfare and Overseas Employment publishes the total number of migrant workers by year, but has no timely statistics on returns which, by evidence of our airports, is large. So we have no calculation of how many are coming back due to deportation or job loss.

JYOTI RAHMAN and NAEEM MOHAJEMEN

AIR Arabia is a low-cost carrier eating into Emirates and Ethad's dominance of the high-volume Bangladesh-Middle East route. On a recent Arabia flight, we noticed something odd: instead of struggling to carry heavy bags filled with gifts, many passengers were empty-handed and wearing sandals.

When immigration forms were handed out, the blue-collar workers asked the literate passengers to help fill out forms (a familiar experience on Middle East flights). At that moment, we noticed that these men had no passports, only a form from the Bangladeshi Embassy that was a "replacement for lost passport." Nested within that form, the "last place of domicile" was listed as "Abu Dhabi jail."

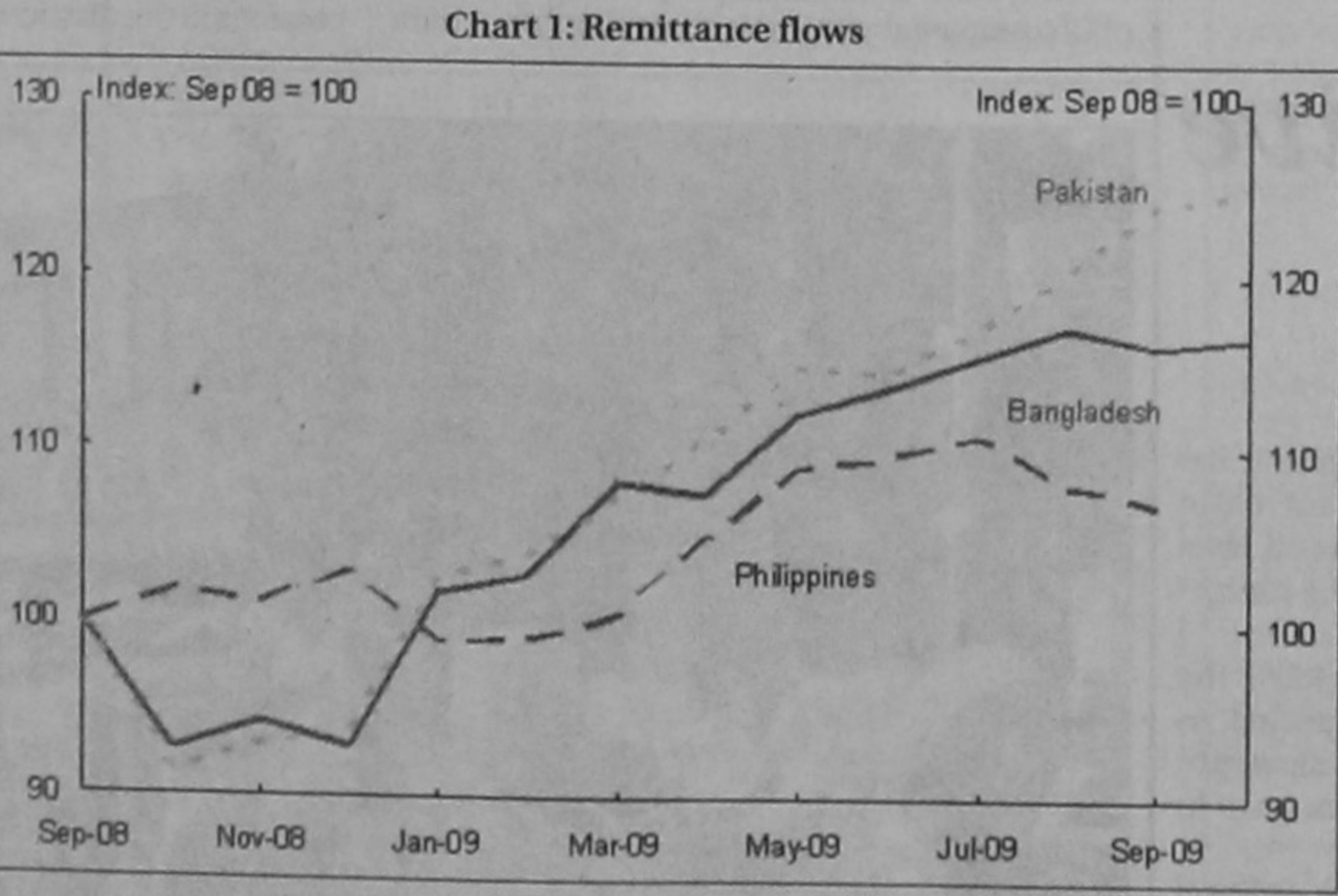
It emerged, through halting conversations, that there were over a hundred deportees on the flight, all had been arrested after they were fired from their jobs,

which made immigration papers invalid. This is where the low-cost carrier comes in as the cheapest option for deportation, at the migrants' own expense. What was the positive, active role of the Bangladeshi embassy during their ordeal in jail, and during deportation? We'll leave the workers' reply to the reader's imagination.

Before parsing this anecdote, let's first telescope out to macro-statistics. At the beginning of the recession in September 2008, remittances were considered to be a major channel where Bangladesh would be affected. But a year on, remittance flows into Bangladesh have shown remarkable, counter-intuitive resilience.

But there are key differences according to source countries. Middle East accounts for three-fifths of our remittances, with Saudi Arabia alone accounting for nearly a third. Remittances from this region fell by 4% in October 2008, but then continued to grow to be about 15% higher in the year ending September 2009.

Contrast this with the US and UK (col-



Source: CEIC Asia, US dollars, 3-month moving average

lectively another fifth of remittances). In September 2009, remittances from the US were about 9% lower than a year ago, while those from the UK were down 1%. During the nadir of the recession in these countries, remittances fell by 13% and 27%, respectively. So how did migrant workers in the Middle East keep remittances flowing, when those in the US and UK dropped?

Can the Air Arabia deportees illuminate one piece of this puzzle? According to their stories, since 2008, as mega construction

projects in the Middle East have gone belly-up (something that will accelerate after Dubai World's recent debt default), many construction workers -- "slaves building monuments," according to Ghaith Abdul-Ahad in *The Guardian* -- have been fired immediately.

As soon as a worker is fired, he is "out of status"/undocumented. But most choose not to return home, since a family, and even a portion of a village, is depending on their income. Instead, they find another worksite that will hire undocumented

workers, of course for a fraction of the legal pay. The calculation is simple: stay in the country and continue to work, knowing that you will eventually get caught.

When they do get apprehended (one deportee said he was arrested when he stepped outside for a cigarette break), they are sent to prison and eventually deported, with no chance of recovering their possessions and savings. Faced with layoffs, or at least diminished work opportunities, and eventual loss of any money earned, these workers told us that they send back all income as fast as possible through formal channels and *hoondi*.

In Yasmine Kabir's trenchant *My Migrant Soul*, the narrative uses the diary of a Bangladeshi worker who died while in custody in Malaysia. More recently, there are reports that when migrant workers die in workplace accidents, they are sometimes buried immediately and nothing is reported to the families. Malaysia has repeatedly had crises with stranded Bangladeshi workers, who arrive and find their construction jobs have disappeared. Yet, paradoxically, there was a jump in remittance from Malaysia (\$20m in 2007, \$324m in nine months of 2009), during this same period.

Even prior to the recession, a key difference between workers going to the Middle East/Asia and the West has been that the latter had one layer of middle class professionals, or at least middle-class aspira-

tions. More importantly, migrants to America/Europe have a path to citizenship in their new homes, something completely absent in the Middle East/Asia. Thus, migrants to the West are more likely to spend and invest in their adopted countries. The working class migrant in the Middle East/Asia is always a "guest worker," and has no choice but to send earnings home.

Analysts celebrate remittance growth curves in seminars, but we need to unpack these shiny numbers. The Ministry of Expatriates' Welfare and Overseas Employment publishes the total number of migrant workers by year, but has no timely statistics on returns which, by evidence of our airports, is large. So we have no calculation of how many are coming back due to deportation or job loss.

Is a hostile and unstable work environment with no migrant rights and little job security resulting in large remittance flows, since Bangladesh is the only safe destination for blue-collar workers' earnings? This is not the only explanation for increased remittance flow, but it is certainly one possible factor, along with others that need to be explored. Finally, we need to demand, once again, that the government take real steps to represent and protect the rights of all working class migrants.

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