

AL warning to errant MPs and BCL elements

Action taken so far has had little effect

THE top echelon of the Awami League leadership has warned party lawmakers and activists of the Chhatra League that action will be taken against them if they indulge in corruption and other irregularities. Ruling party members of the Jatiya Sangsad have been served notice to the effect that if they stray from the right path, they should not expect the party's nominations at the next general election. They have been asked to stop distributing test relief and government relief-related wheat and instead deal with issues of immediate public concern. Such a position must now move on to the next step. It is not enough to say that errant MPs will not get party nominations in future. What the government must do is go after them right away if it believes they have been indulging in corruption. Surely the nation does not relish the thought of such corruption going on unchecked and unpunished till the next election!

Additionally, Prime Minister Sheikh Hasina has warned that a list of BCL activists engaged in unlawful activities is being prepared following which action will be taken. She has also alleged that elements of the Islami Chhatra Shibir have infiltrated the BCL and that she has proof of such infiltration. We believe she is ill-advised on this, aimed only to divert her attention from the reality on the ground. This is where the fundamental flaw resides inasmuch as a refusal to believe in something adverse is preventing action against it. For all its recent disclaimers about the unruly activities of BCL elements, it is obvious that the ruling party agrees on the issue of the damage its student front has already done to it. But our question is: is it enough to serve warning on these student followers? If the goal of the present government is the establishment of the rule of law in the country, it is only to be expected that it will come down with a firm hand on all those who violate the law, including and especially its own young adherents. Expulsions and legal action must follow. Nothing else matters.

The clear expectation of citizens today is that the rhetoric the government has dabbled in since it came into office in January last year will now give way to some concrete action. Mousing platitudes without appropriate accompanying action has a corrosive effect on the credibility of the powers that be. We have heard for a long time that the government will not tolerate any violation of the law or social discipline from any quarter. The time has come for the ruling party to show that it can indeed act against the bad eggs in its own basket. Action must not only be promised but must also be seen to be taken. Anything less will not only leave citizens depressed and disturbed but will also be looked upon as a big swipe at the ideal of democratic governance.

After the exultation over good HSC results

Addressing the uphill task of admission

A large number of HSC examinees emerging as high performers in academic results, to many this has signified a certain improvement in the standard of education at the higher secondary stage. The achievers, the institutions and the boards could feel upbeat because of it. There is, however, a downbeat for a large majority of those passing out, especially in two categories: those who could score between GPA5 and GPA3.5 and the whole rest of others who just scraped through with lower grades but accounting for a higher pass rate overall.

Now comes the question of admission to pre-graduation level which is going to present a highly competitive scenario with an inherent element of frustration as an intake capacity deficit stares in the face of the successful youngsters. As against the pass figure of 5,33,369, the number of available seats is 4.37 lakh.

The differential between total number of admission seekers and the capacity for intake is not apparently formidable but the problem begins when the students go after better run and institutions offering professional degrees consciously avoiding colleges under the national university. As a result, large number of seats in the latter go vacant. The answer therefore lies in raising the standards of the majority of the colleges. This is a formidable challenge. The sought-after public and private universities might think of double shifts but given their shortage of trained teachers and still limited facilities, this will amount to leveling down their quality of performances.

There is a panacea that is seldom prioritized in the national education planning process. It relates to setting up strings of vocational, technical and other gainful trade related institutes all over the country. Happy as we might be over high pass figure, the rate of failure is also substantial. Many who are seeking admission may be disappointed in their efforts and thrown off-course. All of this points to a certain wasteful dimension of the education system which needs to be addressed if we are not swell the ranks of educated unemployed and depressed youngsters. The answer is provided by grooming up most of the post-HSC students through institutes of gainful employment and pursuits linked to job markets, both existing and projected, catering for demands that are both local and overseas.



Same living, higher counting

Instead of being nostalgic about the low prices of the past, we need to accustom ourselves to counting higher numbers and struggling to adjust our income against at least moderately rising prices commensurate with a respectable growth rate.

SAADAT HUSAIN

I had been to Vietnam recently. In no time I became a millionaire. When I changed dollars I received Dongs (Vietnam's currency) in millions -- \$1 equal to about 19,000 Vietnamese Dongs. The notes are of high denomination -- 100,000 or 200,000 Dongs. If one counts in terms of dongs prices are staggeringly high. Conversion into dollars, or even takas, is often mind-boggling.

I had an almost similar experience in Indonesia and slightly less baffling experience in South Korea. The initial psychological response is upbeat, a feeling of being wealthy through the illusion of numbers; I felt like a high flier with so much money in my pocket.

Things were different as we got down to mundane transactions. We had to pay in thousands of dongs for ordinary purchases. Soon we were disillusioned. The high denomination of currencies yielded to dictates of introductory economics; the principles of exchange rates and purchasing power parity were brought to sharp relief through small purchases that we made in the market places.

I compared the prices with the Dhaka market, Bangkok market, London, Delhi, Singapore and Kuala Lumpur markets, and found that there was a discernible similarity once they were converted to a single currency using the exchange rates, notwithstanding minor differences here and there.

This brought me to a bigger issue; intertemporal price movement and the number tag attached to it.

In high school we read about Shaesta Khan's rule in Bengal. One of his great achievements was maintaining very low price of essentials, particularly of rice. One could buy 8 maunds of rice for Tk.1 only. A maund is about 37.5 kilos. This sounds extremely incredible now, but is actually true. The implications are, however, wrongly placed.

The general perception is that people were well heeled and well fed because of such low prices. The reality is different. There was abject poverty and misery for the excluded groups during that period. Famines and epidemics used to sweep the area at regular intervals, taking heavy toll in life, and at times devastating the habitats as well.

More than one famine devastated our land during the last century, when prices were substantially low compared to the present time. Despite these facts, the high prices that reign now bite us hard, and we react very adversely to spiraling prices.

Increase in price level means inflation, a phenomenon never liked by citizens in general. Inflation erodes the purchasing power of the people, pares down their consumption package and undermines their degree of freedom. Inflation is, therefore, called unlegislated tax.

Some groups are benefited through inflation -- hoarders, speculators, asset

holders, debtors and borrower entrepreneurs. Producers with well-stocked inputs also welcome inflation, which increases their profit level. Central banks have to enhance the money supply to support higher production and increased asset creation.

Increased money supply, and concomitant inflation within a tolerable limit, is essential for increased production and higher value-added GDP. Some amount of inflation is endemic in any country striving for high growth.

For common citizens, most of whom have fixed income, inflation is a highly dreaded monster. It reduces their real income and creates a lot of practical problems for them. Even if one's income is inflation indexed, one abhors paying high prices, particularly if one was used to paying low price for some commodities at some stage of his life.

If he is guided by expectation of regression, as many of us are, he will, at least in the initial phase of inflationary spiral, firmly believe that the rise is a temporary phenomenon and prices will come down soon. Even though I was a student of economics, I too laboured under such a misperception in the early seventies, when prices started spiraling up.

I expected that prices would revert to pre-liberation level. My focus was on supply shock. I disregarded the money supply as the most important variable for price movement. The price of rice was roughly Tk.1 per kg. Beef was selling around Tk.5 per kg, which was more than double compared to pre-liberation time. Mutton was Tk.14 per kg, which was too high. In '85 beef shot up to Tk.33 per kg.

We were irritated by this price hike, though our salary was also revised moderately in the meantime. With all my knowledge of economics it never occurred to me that price of beef would reach Tk.250 per kg.

Even today, I find it difficult to reconcile with the fact that it will not come down; it will only go up further because the market can still bear it.

The story is similar for most other products, except clothes, potatoes, calculators, mobile sets and a few electronic items. Prices will go up further because of the complex operation of economic forces at this stage of development; there is no escape from it.

If the government is allergic to staggering numbers and high denomination of currencies it may scale down the currency by knocking off one or two zeros from the right side. Some countries have done it during hyper-inflation or exchange rate depreciation. It might have helped their citizens psychologically.

To an economist it is not at all a big deal. The important thing to an economist is capacity development and augmentation of real welfare for citizens as a whole. The most appropriate criteria in this respect are employment and wage level. If the wage or compensation level can be sufficiently augmented, price hike or high denomination of currency is reduced to a matter of counting big numbers with no real pinching.

An expert group may work out a normal consumption basket for an average citizen and determine how many work hours are necessary to fill that basket in the market. Required hour is inversely related to welfare of the citizens. Internationally, cheap cities and costly cities are ranked using this criterion.

Instead of being nostalgic about the low prices of the past, we need to accustom ourselves to counting higher numbers and struggling to adjust our income against at least moderately rising prices commensurate with a respectable growth rate.

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Only 960 years left for Bhutto's war

In 1971, Bhutto tried to camouflage humiliation in Dhaka by promising a thousand years of war against India. Well, we still have 960 years left. No hurry, then, for a peace treaty. Implicit in the 1000-year threat is the recognition that Pakistan cannot win on the battlefield, since if you win war ceases.

M.J. AKBAR

THE Bhuttos, and Bhutto-led governments, seem lost in a rut that has become brittle and boring through over-use. Their only measure of Pakistani patriotism is the level of hysteria that they can simulate against India.

A psychiatrist would be tempted to trace this habit to the fate of Sir Shahnawaz Bhutto, Prime Minister of Junagadh before partition, whose plan to merge his state into Pakistan went badly awry. Bhutto went, of course, minus his state, closely followed by the Nawab of Junagadh who left his family behind but escaped with his dogs. Such speculation, however, is not quite within the realm of a newspaper column.

It is unarguable, though, that the Bhuttos, having proved pathetically impotent whenever they waged war against India, have tried to reassure themselves with the flatulent hype of a war of words.

Zulfiqar Ali Bhutto was the theorist as well as leader of the 1965 war for Kashmir, a claim that he would doubtless have stressed with far greater glee if Pakistan had succeeded.

Operation Gibraltar and Operation Grand Slam failed miserably, an assertion proved by the simple fact that not an inch of territory changed hands along the Cease Fire Line in Jammu and Kashmir.

In 1971, Bhutto tried to camouflage humiliation in Dhaka by promising a thousand years of war against India. Well, we still have 960 years left. No hurry, then, for a peace treaty. Implicit in the 1000-year threat is the recognition that Pakistan cannot win on the battlefield, since if you win war ceases. Futility is, apparently, not sufficient reason for Pakistan to stop fighting.

Zulfiqar's daughter Benazir Bhutto came to Pakistan-occupied Kashmir in 1989, abused Narasimha Rao and promised Kashmir "azadi," her decibel levels rising to a shriek by the time she had finished the last "azadi" in her speech. Two decades have passed since then, Benazir has been assassinated in her own country, and not an inch of territory has changed hands in Kashmir.

Her husband Asif Zardari's government will sooner or later leave office, either after a peaceful election, or a more violent ejection by the cantonment, and not an inch of terri-

tory will have changed despite his plastic smile or his Foreign Minister Shah Mehmood Qureshi's immature incandescence. War, formal or clandestine, will achieve nothing.

It is possible that the Bhuttos and their servitors do not mean what they say, that this is their default position in the confrontation with their permanent foes in the armed forces. It is time, however, they learnt that terrorism has made the world too dangerous for bluster. The international consensus against this plague will not tolerate the tepid "root cause" argument, either, as justification.

Qureshi forgot that the world was listening when he said that terrorist-infiltrators in the Kashmir were India's problem. He would not last a minute in his job if he told America that Al-Qaeda was Washington's problem and the Pentagon should deal with them once they had infiltrated into America. When the FBI wants a suspect, Pakistan picks up six in six hours. When India asks for Hafiz Saeed, Qureshi talks about India's home secretary G.K. Pillai -- not in the quiet of a conference hall, but at a press conference.

It is no one's case that S.M. Krishna, a suave and seasoned politician, should stoop to Qureshi's levels of street rhetoric. Perhaps Krishna's courtesy prevented him from describing this as nonsense, but silence is not always the best answer to stupidity.

India is America's friend. Pakistan is America's ally. Islamabad has the transcript of David Headley's interrogation in which

he exposed the fact that ISI gave at least Rs.25 lakh to fund the terrorist attack on Mumbai in November 2008. Any criminal enquiry will take the trail to the most powerful force in Pakistan. Qureshi had to try and deflect the terrorist issue. He did not have the intellectual sophistication and diplomatic skills for such a responsibility.

Pakistan does not have a foreign policy. It has relationships. Three, with America, China and Saudi Arabia, are as steady as an alliance between a benefactor and client. One, with India, is inimical; which is why Army controls India policy. America, Saudi Arabia and China factor in Pakistan, but do not hold India hostage to Islamabad's interests.

However, Pakistan uses India as the bogey through which it can try to massage benefits from friends and sympathy from neutral countries or blocs. Confrontation suits it better than conciliation, domestically and internationally. Many Pakistanis are convinced about the wisdom of peace with India, but they are not strong enough to challenge the cantonment.

Dr. Manmohan Singh's mandate to Krishna was to reduce the "trust deficit." One wonders how much trust is left after Qureshi has equated Pillai with a terrorist and dismissed Krishna as unprepared and incompetent. Delhi should not respond with hostility. But a little indifference could go a long way.

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