

Whining and "why-ing"



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WE have sat down today to ask a bunch of "why's" after seeing events surrounding VAT on private university education unfold in the last few days, and the eventual repeal of the government's decision.

These questions reflect our collective disappointment with the way the government and even the students in general (not just private university students) have handled this situation.

Why did the government decide to impose VAT on private universities? The government never really clarified their logic behind why university education has been treated like just another commodity for the purpose of VAT, and particularly private university education.

In general, economic theories suggest that taxation should be exempted for goods that are "meritorious" or those that have positive

externalities. Education is not a private good, that is, the benefits of educating one person percolate to the entire society. It helps build strong economic and social institutions.

Moreover, as VAT is an ad valorem tax, students that attend universities that charge higher fees will be even more worse off, as they'll have to pay higher taxes (in the absolute form).

Imposition of most taxes brings along with it an element of social welfare loss, some more than the others. But only few can have as vast a social welfare loss as VAT on education.

Was the government thinking that the more well-off generally go to private universities -- so they should pay more? Was it thinking that since VAT is easier to raise than most other taxes, the more areas it can be used in, the better?

Despite efforts from the students, the government never really explained why they decided to impose it in the first place. Even after they repealed the decision, they did not mention why it was placed to begin with.

Why did the students resort to violence to make their voices heard? And why did the police beat students up? It is always a difficult thing to know for sure which side started the violence and there will always be both sides of the story and on top of that, what made the story more complicated is the unwarranted involvement of the students of Titumir College who allegedly also participated in the vandalism for no relevant reason since the VAT issue does not affect them in anyway.

But the reality is that this series of events again demonstrated that we have room to do much better.

It is possible that the Titumir College students had some ill political agenda and just used the opportunity to create havoc; it is possible that the police beating prompted private university students to vent their anger on nearby vehicles; it is possible that the pent-up frustration of students that nothing short of vandalism can attract the attention of the government prompted the blocking of streets and eventual violence.

The possibilities are endless and since there was no clear coordinated leadership in this effort, it would be hard to know what actually happened.

To go back further, some private university students organised a peaceful manobondhon and formed a long human chain a

few days ago without blocking the streets -- the government did not take notice of this, neither did the media or the civil society in general.

No one wrote about it, no one seemed to care about it except the students and their parents -- the peaceful effort went largely unnoticed. The students escalated their demonstration last Monday, which led to blocking streets and eventual violence.

But it leaves one asking whether this was the only option for students -- why was a inter-university petition not organised, why were the social media networks such as Facebook not used more pro-actively to form a more unified voice? Why do our students always have to think in terms of taking to the streets to make their voices heard?

We have seen global examples of how moveon.org and avaz.org are making a difference through online collaborative efforts to gain consensus and influence public policy in other countries, including developing countries. How long do we have to wait before our students also think along similar lines?

Why did the government wake up to this issue only after a "violent" protest from the students? The private university students and authorities have been complaining for a while about the VAT on private university education but the government has not been paying much heed to it. Silent and peaceful demonstrations by students were also assembled before -- nothing happened.

After an unfortunate turn of events took place, the Ministry of Education started saying that they had nothing to do with this decision and eventually the Ministry of Finance repealed its decision. But the question is: why did it take so long and why did it have to happen only after a violent demonstration?

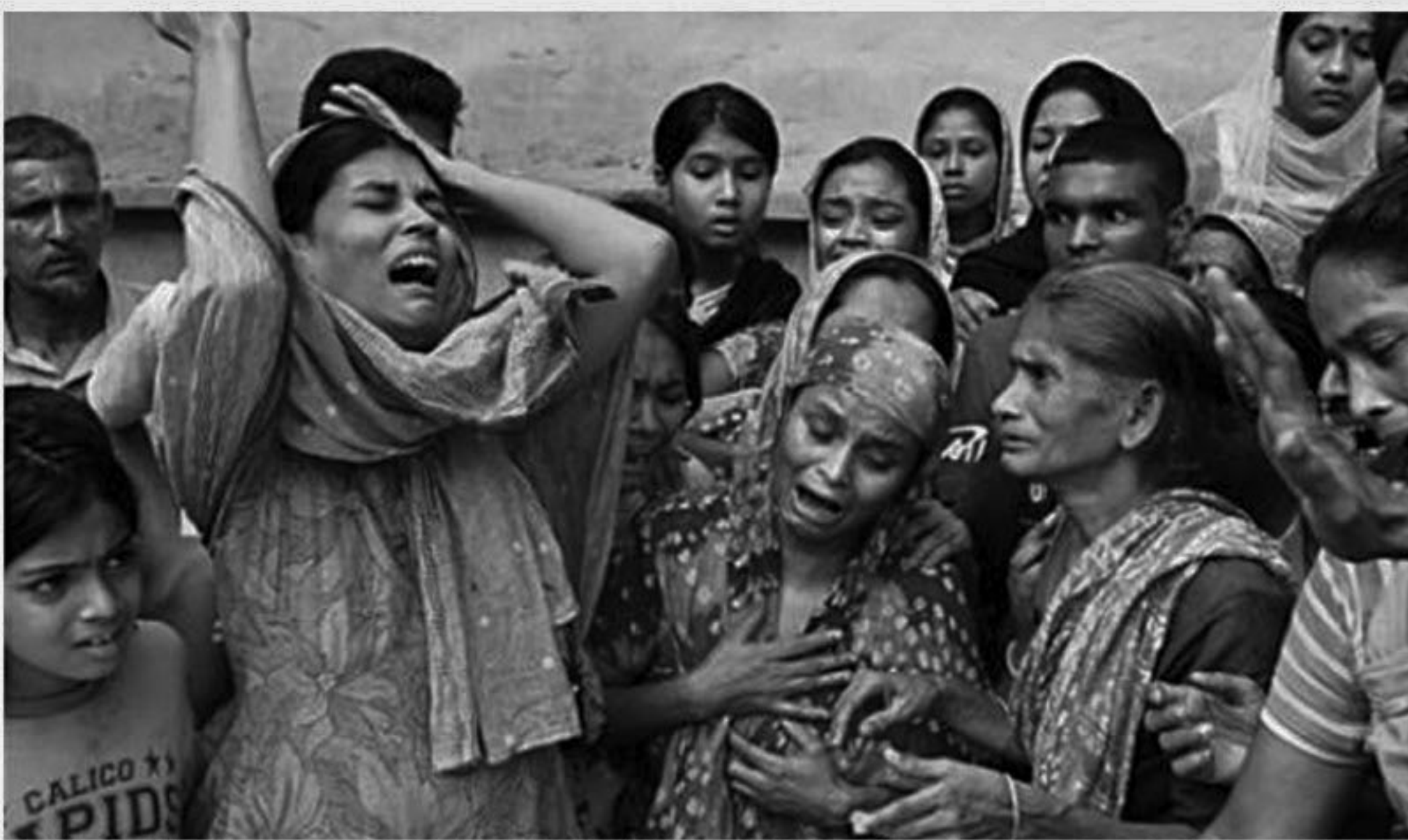
What message does all of this send to students and citizens in general? That the government does not care to respond to citizens' rightful demands unless there is a violent protest, people get beaten up by police, and public property gets damaged? What will happen the next time the citizens want the ear of the government for a legitimate reason?

Although we are making progress in many respects, in the areas of government responsiveness to citizens' discontent, and citizens' constructive criticism of the government, we still have a long way to go.

Each time, I think that we have made some progress in these two areas, I am proved otherwise by events such as the ones taking place over the last few days. Will we ever be able to stop whining and just grow up as a nation?

The authors are Fellows of Jagoree.

Endless grief but no accountability



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AFTER the recent Nimtoli fire, someone on the Unheard Voices blog commented: "Look at the reaction after the fire, endless grief but no demand for accountability from the citizens." The fire truck came to Nimtoli but quickly ran out of water and had to go back through the narrow alleys and get water again. A few of the firefighters tried desperately with their limited resources.

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constraint of our public safety organisation, the budget for fire service was cut. There was not a word anywhere. We were still busy grieving without asking the right question.

Who is accountable? How can we do better in response? How can we get to the bottom of it? No questions asked. We have become a country of fatalists. This was in our fate. So let's just move on.

Today is the birth anniversary of Nurul Islam, the Gonotontri party leader who was burnt to death along with his son in a mysterious fire incident -- another two people whose death remains unaccounted for.

A few months ago, his daughter Moutushi Islam showed us a documentary on the progress of investigation (or the lack of it) at Shahid Minar. The Shahid Minar was filled with people watching the documentary with tears in their eyes.

In their grief, they all probably thought this was a pointless exercise. Nothing will change, nothing will matter. What's the point in demanding? Islam's family and friends have made sure that the demand for justice remained. Asking the right question is the first step and the most important step in this process.

So what are the right questions in this case? After the initial PDB report that concluded that it was not a short circuit, a "curious" follow-up report was released that contained misleading and erroneous findings. The MD of PDB himself was not aware of the second report. This suggests that some vested interest group has been trying to tamper with the investigation.

However, there seems to be no clear effort to identify who influenced PDB to come up with the erroneous second report.

- Nurul Islam was called back to Dhaka on that fateful night by a trusted associate based on a false newspaper report -- however, there was no investigation or interrogation regarding the source of this false report. Why?
- The issue of broken key door and bent window grill does not seem to have been taken seriously during the investigation. Why?
- This case has been listed as a "sensational case" but still there has been very little progress in the past 20 months. Why?
- There was no proper forensic analysis done -- some chemical analysts were brought in, but no formal report ever came out. Why?
- There is repeated effort to try to conclude that it was a short circuit despite the fact that there is clear evidence to the contrary. Why?

A few months ago an inexplicable series of incidents took away the life a young man, an acquaintance of mine, in a fire. The police investigation team (which does not have a proper forensic team) was clueless and termed it a "short circuit." The affluent family brought in a forensic expert from Singapore and the explanation was found in only a matter of days. It was not a short circuit. The family mourned, but they were at peace.

Nurul Islam's family is not affluent. Nurul Islam spent all his life fighting for the rights of the workers. They cannot bring in a specialist from abroad. But the government can. Until we have built the expertise, can we not take help of outsiders to build our capacity? Until we build the capacity, can we not at least take the help for at least the most sensational cases?

Or is justice in this country for those who can afford it? Or are we going to remain a nation of fatalists who think if it was in our fate, then nothing could have been done about it and so no investigation is needed.

Enough of events and activities, we now need to demand results and outcomes. The trial of war criminals is ensuing. The process of righting the wrongs has started. Let's not stop there.

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Bangladesh's regional transit agenda

Bangladesh, by transforming its ports into "hot-hubs" serving the entire hinterland of Nepal, Bhutan and North-East India, would be able to upgrade its rail system and develop Chittagong Port, or even invest in a new sea port, in order to establish itself as a regional hub.

HASANUZZAMAN

THE Indo-Bangladesh joint-communiqué (IBJC), originating from the January 2010 summit, has gained new momentum following the finalisation of the transit operating modalities between Bangladesh and Nepal.

It is an encouraging step by the Government of Bangladesh (GOB) to demonstrate its serious commitment in connecting with its neighbours on both sides (mainland India and its seven sisters in the North-East) and Nepal and Bhutan, and ultimately, as can be hoped, with rest of the world through the Asian Highway and Railway.

It is expected that a Bangladesh-Nepal transit agreement will be ratified by both governments and parliaments by early 2011.

Trucks from Nepal will be allowed into Bangladesh territory up to Mongla Port, with no transit (entry) fee other than port fees, labour charges and other costs. Indeed, such a bold policy incentive by the GOB, in trying to appeal to its neighbouring countries to use its ports, is praiseworthy.

It is now strongly presumed that once Nepalese trucks start to use the route from the north of Bangladesh (Banglabandh) to Mongla Port in Khulna, and then subsequently to other countries, it will physically ignite the process of economic integration in the South Asia region.

So, in the normative sense, what should the governments of Bangladesh and India do to translate the IBJC into reality? In the backdrop of the increasing bilateral trade deficit of Bangladesh with India (\$ 2.1 billion in 2009), the economic rationale of promoting trade in transport services to not only address the yawning trade gap but also to boost revenue earnings, cannot be over-emphasised.

Imports from India, particularly of fabrics and other industrial raw materials, feed Bangladesh's export-oriented sector (mainly the RMG industry) and provide some fiscal cushion in the form of a healthy balance of trade status with some of its major trading partners (e.g. \$ 3.6 billion trade surplus with the US in 2008-09).

Therefore, in the context of reducing the bilateral trade deficit with India, an informed approach would seek to simultaneously increase Bangladesh's exports share in India, vis-à-vis trade in both goods and transport services, instead of reducing import from the latter.

Game theory is relevant from the perspective of Indo-Bangladesh and South Asia regional cooperation in two fundamental ways -- (a) where all are well-informed about each others' equilibrium strategies (Nash Equilibrium); and, (b) where one member is uncertain in fully comprehending its other partners' strategies (Prisoner's Dilemma).

Due to information asymmetry or any type of uncertainty (e.g. political), both parties can be expected to enter into a prisoner's dilemma situation. In such cases, where countries are not aware of each other's strategies, both will be inclined to defect with a zero payoff. The paradox in this case is that both Bangladesh and India would be acting rationally, but producing an evidently irrational result.

On the other hand, when transparency in the decision-making process and legitimacy of the state's willingness (through information sharing) to cooperate are evident, there is no information asymmetry and, hence, all members will opt to cooperate.

Bangladesh, by transforming its ports into "hot-hubs" serving the entire hinterland of Nepal, Bhutan and North-East India, would be able to upgrade its rail system and develop Chittagong Port, or even invest in a new sea port, in order to establish itself as a regional hub.

The country's physical (transport) transformation will hinge upon two crucial factors: (a) development of a land link connecting South East Asia with South Asia; and, (b) the extent of political concessions, in terms of sovereignty loss. Whilst the former is a matter of transport policy and economic estimations, the latter will demand close cooperation in order to promote regional solidarity.

One should always remember that in the EU, economics have successfully trumped politics and remains the driving force behind decisions on regional expansion through integration into the Single Market. After a long time, governments in South Asia are demonstrating an awareness that the future is impinging on its present, much more rapidly than it did in the past.

To conclude, the main challenge before South Asia today may be to seize the historic moment (e.g. by transforming the Saarc into a supranational organisation) and lead the way into the future, rather than being content with the prevailing status quo by allowing long-term economic considerations to trump short-term political impediments.

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