

Poverty reduction Integrated approach imperative

THE most important aspect in fighting poverty is to ensure that once one emerges out of its vicious cycle one is helped to keep out of it on a permanent basis. And that what makes the issue of sustainability of the poverty reduction initiatives the prime concern to those that are seized with the issue of alleviating poverty in the country. And indeed this was the focus of a roundtable discussion at The Daily Star on Saturday on the impediments to ensuring poverty alleviation programmes are seen through in order to deliver.

However, the issue of sustainability of poverty reduction programmes is largely predicated on a number of factors, several of which emerged from the discussions that we feel the policy planners should factor in while formulating strategies in this regard.

It is very important that we do not waste time in grappling with the definition of poverty but instead take it for what it is, that it is a state of deprivation of resources; and it must be acknowledged that poverty is not a singular construct but that there are various strands of it with inequality cutting not only vertically but also horizontally.

One must also take a very critical look at the issue of social safety nets. Admittedly, this arrangement exists in various forms even in affluent countries. But given that there are more than eighty social safety nets programme running in Bangladesh, these being merely a stop gap or holding action programme that simply maintains the status quo. But the effort should really be to help the poor graduate out of poverty. In other words, the programmes must be geared towards their becoming a part of the income generating process by making them a subject of the programme and not its object.

It must also be recognised that no initiative can be successful unless it is dovetailed to the national anti-poverty plan and for which the issue must be shorn of political colour and tackled as a national concern where the ownership of the strategy and the programmes that will help operationalise the strategy is shared by all cutting across party line.

Caning students, still!

Prohibition should work

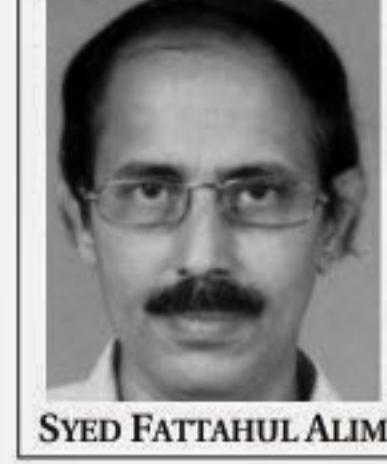
THE office assistant of a high school in Sharifpur union of Jamalpur Sadar upazilla has been beating up twelve students of the school. In effect, the individual in question caned the students because they were creating commotion in a classroom next to the one where he was taking a class. Now, of course it is troubling when young people in school create a noisy atmosphere and so disturb the proper working of the school. It is only to be expected that they will be disciplined. What is of grave concern here is that, firstly, the office assistant was in a class where he should not have been and, secondly, that he adopted corporal punishment to bring the recalcitrant students to heel.

Obviously, the office assistant was in the classroom because of a shortfall of teachers. The rules of an educational institution do not permit, even when there are no teachers, an office assistant or any other administrative staff from doing the job of a teacher. One is therefore perplexed as to why the school authorities allowed the individual in question to be in the classroom in the first place. As to the second point, that of the caning of the students, one must ask the school authorities why they still permit such barbaric methods to be applied to students. On a larger scale, we cannot but note that in rural Bangladesh, there are yet teachers who do not balk at employing corporal punishment to students if the latter are inattentive to their studies or create disorder in the classroom. Physical punishment of students goes against all norms of civility and simply undermines the foundations of learning by the young.

We understand that the office assistant in question has been suspended from his job. His behaviour should now impel the education authorities into inquiring into the prevalence of corporal punishment despite a prohibition. The aim of education is the creation of an enlightened citizenry. Caning the young is a simple, sad way of suggesting that the negative is normal.

KALEIDOSCOPE

Robbers of the capital market



SYED FATTAHUL ALIM

WHAT the four-member probe committee has found to be the factors that led to the recent capital market crash has not really

raised many eyebrows, because fin- gers were already pointed at some big business operators who also have stakes in the capital market.

The government-appointed probe body has also claimed to have unearthed a nexus between the top brass of the stock market regulator, the Securities and Exchange Commission (SEC).

Thousands of small investors in the capital market have thus gone broke overnight. But what is of special interest in the report is that it has again lent further credence to the very common public perception about the capital market that it was engineered by some powerful coterie.

However, in the international scene such a perception falls under the category of what is known as conspiracy theory. So, the stock market analysts' camp is also at variance with one another on the subject.

Stocks also behave like any other commodity in the market and respond to the law of demand and supply. The psychological part of market behaviour is one of the factors that play a very crucial role. Sudden spike in demand of some stocks may be artificially created by twisting the market, leading to overpricing of some stocks and triggering a mad rush for buying those by the investors. It further fuels the rise in the market index due to the continued rise in the prices of the shares.

At one stage, the prices reach their zenith, thereby pulling a huge chunk of the middle-class investors' fund

from the stock market. The vested groups then cause the prices of those shares to plummet, followed by their panic sale. The crash of the entire capital market then becomes inevitable. The recent crash and the one of 1996 are generally believed to have been caused by the same coterie, which has been corroborated by the probe report.

In Bangladesh context, such distortion of the capital market is very much a possibility, because it is still a fledgling one, while a large swathe of the small investors from middle class background are inexperienced in the trade. They are drawn towards the secondary market for some quick bucks and sink their savings of a lifetime into the capital market. In other words, the nascent stage of the capital

put in capital market? So, manipulators tinkering with the stock market for windfall gains are not just a strong possibility, but a fact of life in our corruption-ridden society.

But in the developed economies, where investors are not suckers, where they have strong rules and regulations and where laws against any manipulation or trickery is very harsh and where the regulators are not generally not so pliant and prone to corruptive influence, the probability of such engineered downturn in the stock market becomes next to impossible.

But still, stock market may crash in the very advanced economies like the Great Wall Street Crash of October 1929 that was behind the Great Depression which engulfed the entire

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market coupled with the prevalence of amateurish investors provides the market predators with a happy hunting ground.

The probe report has attempted to come up with an explanation, though an impressionistic one, of how they could influence the market in such a manner. It is that some high-ups of the market regulator SEC have, in collusion with some influential business tycoons from both the ruling and the opposition parties, caused the debacle. Here again the proverbial ghost in the exorcist's bag itself, was a culprit!

Given its blessing, who would stop the manipulators from fulfilling their sinister design to bamboozle the poor investors out of their entire savings

industrialised world of the time. Similar crashes were also seen in 1987, and the last one took place as recently as 2008, that again sucked into its maw the developed Northern part of the globe as well as some developing economies in the Southern Hemisphere.

Were the global economic meltdowns triggered by New York's Wall Street? Were those mega-scale financial debacles engineered by some evil, powerful global business syndicates? In fact, there were already some conspiracy theorists who believed that some globally operating business coterie of the industrial world was behind it. However, the more universally accepted explanation has been that it was the rise in delinquencies in

the subprime mortgage market, foreclosures and decline in the securities backing those mortgages.

These financial practices were thought to be great innovation of the twentieth century that promised to bring into the fold all those debtors who have practically no access to the wider credit market. As a result, popularity of this financial practice became all-engulfing, which finally turned into its own nemesis. Here no individual or vested coterie of big business was to blame. If anyone was to be held responsible, they were the ideologues of this new economic model.

However, as the investigation committee led by Ibrahim Khaled has found, we have not been another victim of western-type bursting of the financial market bubble. Rather it was, as mentioned before, a vested coterie that is alleged to have looted some Tk. 200 billion from the capital market through engineering the crash.

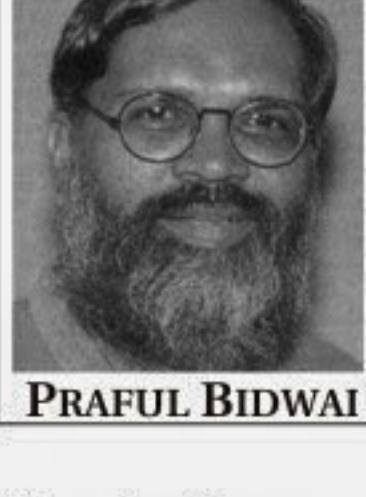
If, after a thorough investigation, as suggested by the probe committee, its impressionistic findings prove to be true, then its recommendations have to be implemented in full. That includes restructuring the SEC, removing the top brass involved in the scam, and bringing the manipulators with links to the ruling and opposition parties to justice.

The murky transactions by the so-called omnibus accounts and the private placement shares used as inducements to powerful quarters have to be brought under strong discipline. And there should be no prejudice against making public those involved in manipulating the capital market to their advantage. That part of the task will be the real test of the government's will to do justice to the bankrupt investors.

The writer is Editor, Science & Life, The Daily Star.

PRAFUL BIDWAI COLUMN

The Left's fate in balance



PRAFUL BIDWAI

THE legislature election process is about to begin in four Indian states: West Bengal, Tamil Nadu, Kerala and Assam.

The elections could prove a turning point for the Congress, the Tamil Nadu-based Dravida Munnetra Kazhagam (DMK), its rival AIADMK, the Asom Gana Parishad (AGP) and above all, the Left.

In Tamil Nadu, the DMK-Congress alliance faces a tough challenge from Ms. Jayalalitha's AIADMK-led alliance including the Left, which would benefit disproportionately from even a slight decline in the DMK's vote-share (26.5% in 2006). Ms.

Jayalalitha's party commands about a third of the vote.

If the DMK-led coalition wins, the Congress can be in government for the first time since 1967 -- because the DMK will probably have to share power. It has consolidated its influence over various institutions, including the media, by fully exploiting both its power in the state and the central governments over 12 years.

Yet, the DMK isn't going into battle with great confidence. It's trying to lure voters with promises of gifts, including free laptops for college students, a kitchen mixer or a grinder for every family, and a Rs.4 lakh grant to single women-headed households.

The AIADMK is matching this with, among promises of other gifts, laptops for Class XI and older students, a fan, a mixer and a grinder for each household, 20 kg of free rice every month, besides 60,000 cows!

Such competitive populism isn't confined to Tamil Nadu. In Assam, the Congress under Chief Minister Tarun Gogoi has promised 9 lakh new jobs and a doubling of the monthly quota of 20 kg of rice to all below-poverty-line (BPL) families.

Whether Mr. Gogoi wins or not will partly depend on whether Assam's Muslims, 30% of the population, support the Congress or the predominantly Muslim, All-India United Democratic Front (AIUDF).

The AIUDF would have liked to cultivate the AGP, but the AGP has a tacit understanding with the BJP: the two aren't fielding strong candidates against each other. Luckily for the Congress, separatist groups, which call for election boycotts, have been greatly weakened.

However, it's in West Bengal and, to an extent, Kerala that the most dramatic changes could occur. In West Bengal, the Left Frontin office for an uninterrupted 34 years, a world recordis in decline and faces anti-incumbency.

It won 227 of the 294 Assembly

doesn't mean much to the 60 percent-plus Bengalis who were born after the Front came to power.

The Left Front's brutal crushing of grassroots resistance against unjust neo-liberal policies at Singur and Nandigram earned it popular ill-will and hostility. The Front hasn't learned enough lessons from these fiascos.

Ms. Banerjee has exploited the Left's failures. Sections of the extreme Left and the middle-class intelligentsia have extended support to her. She has bullied the Congress into accepting a measly 65 tickets.

The Left will put up a fight, but it faces an uphill task. If the Left loses in West Bengal, it will suffer not just ignominy, but also intense repression from the lumpen TMC.

Even if the Left clings on to power,

The Left shouldn't be written off. It continues to be strong in trade unions and women's movements. But it can reverse its decline only if it overhauls its politics, mobilisation strategy and organisational structures.

seats in 2006, with a 48.4% vote-share. By the 2009 Lok Sabha election, it only led in 99 Assembly segments, with a 43.5% vote-share. It also lost recent local body elections and various by-elections. Besides, the opposition is now firmly united under Ms. Mamata Banerjee's Trinamool Congress.

The Left Front's support-base has eroded because its land reform and other progressive measures lost momentum, and it pursued thoughtlessly pro-corporate policies ignoring people's basic needs and livelihood issues. The state's health and education indices have stagnated or fallen, knocking out its claim to inclusive pro-people development.

The Left's image as a force of radical change and social transformation

it will be much weakened, with little freedom to try innovative approaches to regain lost ground. Some Left supporters believe that an electoral defeat will help the Left rethink its strategic perspectives and economic and social policies.

In Kerala too, the Left Democratic Front isn't well-placed to win. The state tends to alternate between the LDF and the Congress-led United Democratic Alliance at elections. Moreover, the LDF faces anti-incumbency because of its poor performance in public services delivery and charges of corruption.

The biggest charges implicate the Communist Party of India Marxist's (CPM) state secretary Pinarayi Vijayan for allegedly receiving kickbacks in a scam involving a

Canadian company. Mr. Vijayan is the first Politburo member of an Indian communist party to face a CBI inquiry.

Mr. Vijayan has tried to undo many of Chief Minister V.S. Achuthanandan's progressive measures, on the spurious ground that they are "old-fashioned." What the young generation needs in Kerala, Mr. Vijayan argues, is not education, healthcare and jobs in small industries, agriculture and plantations, but expressways, entertainment parks, and service-sector jobs like those in Information Technology. But these jobs haven't materialised.

The CPM leadership made another blunder by not presenting Mr. Achuthanandan as its chief ministerial candidate thanks to pressure from Mr. Vijayan.

The Left parties' Lok Sabha tally fell from 61 in 2004 to 24 in 2009. A defeat in West Bengal and Kerala would marginalise the Left in Parliament.

Yet, the Left shouldn't be written off. It continues to be strong in trade unions and women's movements. But it can reverse its decline only if it overhauls its politics, mobilisation strategy and organisational structures.

The Left's decline will push India's political centre of gravity further to the Right. This would be tragic. Indian society should naturally favour Left-of-centre politics, with empowerment of the poor and emancipatory policies at its core.

However, the Left's decline won't push India towards either a monochromatic politics or a bipolar system dominated by the Congress and the BJP. The Indian polity has become too polycentric, with Dalit and OBC upsurges, rise and consolidation of regional parties, and social movements which resist the onslaught of neoliberalism and globalisation.

The writer is an eminent Indian columnist.

THIS DAY IN HISTORY

April 11

1905

Albert Einstein reveals his Theory of Relativity (special relativity).

1919

The International Labour Organization is founded.

1921

The Emirate of Transjordan is created.

1945

World War II: American forces liberate the Buchenwald concentration camp.

1961

The trial of Adolf Eichmann begins in Jerusalem.

1961

Nazi war crimes trial begins. The trial has begun in Israel of the man accused of helping Hitler in his plan to exterminate the Jews.

1972

34 member committee under Dr. Kamal Hossain, Law Minister, is set up to prepare a draft constitution for the People's Republic of Bangladesh.

1979

Ugandan dictator Idi Amin is deposed.

1996

Israel launches attack on Beirut. Israeli planes and helicopters have launched air strikes against targets in the Lebanese capital, Beirut, for the first time in nearly 14 years.