

KALEIDOSCOPE

Set the priorities before subsidy cut



SYED FATTAHUL ALAM

THE government's decision to hike up prices of petroleum products and compressed natural gas (CNG) has been driven, as it said, by two exigencies. One, the burden of subsidy on these items, which is to the tune of Tk. 177 billion,

is a constant drain on the state's exchequer. And, two, the prices of petroleum products have gone up in the international market.

According to the proposals submitted to the prime minister by the finance division, there is a suggestion to increase the price of fuel minimum by Tk. 14 and maximum by Tk. 30 in phases in the current fiscal year. If further reduction of subsidy on fuel is the ultimate agenda, then the consuming public are in for more price shocks in the next few months.

Given the prevailing volatility in the market, especially in the essentials market and the chaos in the transport fares, one need not have a crystal ball to guess its fallout in the days to come.

The food price related inflation has already gone beyond the buying capacities of the people in the limited income bracket and among the poor. And it is common knowledge how fuel price hike impacts on the costs of commodities transport as well as production in the industries. In fact, fuel is such a basic item in modern life that any increase in its price leaves a chain reaction in the market pushing up the costs of every product and service reflected through the inflated price tags on them.

Granted there are strong arguments for reducing the state's subsidy burden. As indicated before, recommendations for price hike aim at cutting fuel import from the international market. These are the overriding factors that have weighed with the government to go for another bout of fuel price hike in about four months after the last increase in fuel price.

Even if we agree with the government's step towards subsidy cut purely for argument's sake, then why did it choose such a sensitive sector like fuel to start with? Why did it not in the beginning consider other sectors that would not affect public life immediately?

What about first plugging the holes in the corruption-ridden administration through which the economy is bleeding day in, day out? What about cutting costs in the unproductive sectors and stopping the subsidies in the loss-making industries?

PRAFUL BIDWAI COLUMN



PRAFUL BIDWAI

THROUGH his outlandish, melodramatic three-day fast, Gujarat Chief Minister Narendra Modi aimed to catapult himself to the Bharatiya Janata Party's apex and emerge as the prime ministerial nominee of the BJP-led National Democratic Alliance. The fast consolidated his headline Hindutva image, but achieved little else.

Mr. Modi's fast won't make him acceptable to the Muslims, who suffered Independent India's worst state-organised butchery under him in 2002. Mr. Modi didn't express remorse or moderation. He came through as arrogant, duplicitous and hubris-driven. Yet much of the BJP's senior leadership danced attendance upon him, encouraging him to flex his muscles. He belittled his former mentor LK Advani by making him sit in a smaller chair than his own.

Indeed, Mr. Modi's wanted to undercut Mr. Advani's bid for pre-eminence through his unilaterally announced *rath yatra*. To be launched next month, it is designed to politicise religion through the image of a mythical warrior riding a Bollywood version of an ancient chariot. The RSS has since further snubbed Mr. Advani.

Two other motives inspired Mr. Modi: to celebrate the recent Supreme Court ruling in the Zakia Jaffri petition as a "clean chit" for him; and second, to show that the opposition political space isn't entirely occupied by civil society; the BJP too counts.

However, the Supreme Court didn't exonerate him or endorse the report of the Court-appointed Special Investigation Team, which holds that there's no prosecutable evidence against him. The court sent the case to a Gujarat trial court, but directed it to examine that report, as well as its analysis by *amicus curiae* (friend of the Court) Raju Ramchandran, and give the petitioners a hearing. The trial court can prosecute the accused even though the SIT didn't charge-sheet them. How the court acts within Gujarat's vitiated political climate remains uncertain, but it cannot accept a closure report without hearing the petitioners, and summoning witnesses if necessary.

Mr. Modi's fast was a parody of the Hazare original: pointless, artificial, insincere, cheaply self-justificatory, and patently lacking in introspection. It drew ridicule from the BJP's most valuable ally, Janata Dal (United), with whom it shares power in Bihar.



PHOTO: REZA MORRIS

Was the hush-hush manner necessary to effect the latest fuel price increase this time and, that, too, within such a short span of time after the last hike? The bad news came at a time when the essentials market is so jumpy, the inflation is all time high and the real income of the people has shrunk drastically.

Had the government been able to achieve some success in the above noted sectors, it would not be necessary then to punish the poor consumers in the name of cutting fuel subsidy.

Now come to the subject of rising oil price in the international market as a reason for the hike in the

local fuel price. But recent trend of fuel price in the international market is not one of rising, but of falling. At the moment, the price of West Texas Intermediate, (WTI) crude (also known as Texas light sweet) is around US \$79.96. It is worthwhile to mention that WTI is considered as the standard on which pricing of oil is based internationally. In that case, the fuel price at US \$127.56 per barrel, on which the finance ministry has carried out its calculation to set the raised price of petroleum products, is higher than the current price of the same in the international market.

To cut the long story short, the arguments placed by the government in defence of raising the prices of petroleum products do not sound convincing. And most surprisingly, in sharp contrast to the earlier practice of conducting a view exchange with the consumers and stakeholder before going for any price hike, the government this time has avoided such process before raising the fuel price through an executive fiat.

Was the hush-hush manner necessary to effect the latest fuel price increase this time and, that, too, within such a short span of time after the last hike? The bad news came at a time when the essentials market is so jumpy, the inflation is all time high and the real income of the people has shrunk drastically. Whatever justification the government may have to raise fuel price, the common people will not accept it, because they find it too hard to make both ends meet with the incomes they earn.

The subsidies the government may reduce, but that should not be at the expense of worsening the condition of the suffering public. What is more, fuel price is not the only area where the need for price hike would be limited. The power is another area that will also be getting pricier very soon.

In the face of such a predicament, the government will have to be more cautious in selecting its priorities before any subsidy cut.

The Prime Minister Sheikh Hasina has asked her ministers to identify the areas including transport, food and agriculture that might be affected by the suggested subsidy cut on fuel. One feels like being assured at prime minister's instructions to her ministers. It is clear that once the study is carried out, it will prove only the obvious. So, we hope the study results would be able to convince the government of having a rethink on the decision to go for another round of fuel price hike.

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Sheikh Hasina's peace model

Intentions must be followed by implementation

PRIME Minister Sheikh Hasina's six-point proposal regarding a multi-dimensional peace model on which to build the edifice of democracy holds significance for the world as a whole. Of course, her proposals encompass a wider ambience, particularly in terms of the various efforts to put in place systems of transparency and accountability in countries which have for a long time suffered from an absence of democratic governance. The Bangladesh's leader's remarks, made at the on-going General Assembly session of the United Nations, places strong emphasis on the issues which currently serve as challenges for not just poorer states but also for those affluent nations whose future is inextricably linked with the wider development of the globe.

Sheikh Hasina's ideas about her peace model are, again, a process of thought shared by other leaders around the world. The concept is all-encompassing, as the six points make so abundantly clear. Eradication of poverty and hunger, reduction of inequality, mitigation of deprivation, an end to exclusion of people from the process of development, overall human progress and, very importantly, elimination of terrorism are the very issues which exercise minds across the spectrum all over the world today. In other words, it is a macrocosm which Bangladesh's prime minister presented at the UNGA. Observed in a deeper way, however, one could suggest that the issues the prime minister raises are those which, on a microcosmic level, affect the people of Bangladesh since these are problems which have long assailed our society and which now must be tackled purposefully. Sheikh Hasina's assertion that a removal of injustice rests on sincerity on the part of individual nations is a clear recognition that while global linkages are essential for collective progress, such linkages cannot truly be forged until states on their own and separately undertake the task of rolling back the ailments which have traditionally held them back.

These six points depend, in the end, on an easy availability of education for people in individual countries. Besides, a significant prerequisite for these goals to be implemented is a thorough, well-defined war on corruption. An expression of good intentions is fine as long as it is backed by the means of their implementation.

Teachers for primary schools

The void needs to be filled in

ONLY last week, in this very column, we had expressed concern over the dropout rate in the primary schools at around 21 percent. And one does not have to look very far into why that is so. Shortage of teachers is perhaps one of the reasons why such a large percentage of primary school pupils decide to stay away for good.

It is therefore good to know that the government is planning to recruit 15000 teachers for the primary schools of the country. This, we understand, will be done in the next four months. The shortfall is indeed alarming, particularly the fact that there is at present 3000 primarily schools which are without headmasters. This in spite of the fact that the ministry has appointed over 60,000 teachers, including more than 1500 headmasters, in the last 32 months.

While the action of the ministry to appoint new teachers is laudable one wonders why the shortfall has been allowed to occur in the first place. Recruitment is a continuous process which, if followed regularly, would guarantee a steady inflow of new teachers with retirement of the old ones. We feel that there is also need for a re-look at the number of teachers authorised in a primary school, which is, as of now, four for each primary school. And given the fact that the government is planning to build 1500 more primary schools the shortfall would be higher than anticipated.

On a more practical note, we feel that the ministry should also address the issue of trained and qualified teachers. If we are looking to provide a solid foundation to the youth primary school is the best place for it, and for that we need dedicated teachers, which, given the scale of

Shifting BJP further rightwards

The support extended to the fast by the Akali Dal, widely expected to lose the coming elections in Punjab, and the Tamil Nadu-based AIADMK, which isn't even remotely considering allying with the BJP, doesn't mean much.

Mr. Modi hasn't overcome even an iota of the stigma from the 2002 anti-Muslim pogrom. It's of course shameful that he wasn't criminally prosecuted, and even politically punished, for falsely communalising the Godhra train fire, and organising the ensuing violence, which claimed more than 1,000 lives.

India's political class failed to compel the ruling NDA to dismiss the Modi government for manifestly violating the Constitution-mandated citizen's fundamental right to life. Arguably, had the Congress's Sonia Gandhi, the Communist parties'

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Harkrishan Singh Surjit, Jyoti Basu and AB Bardhan, and Centrist leaders like Laloo Prasad and Mulayam Singh Yadav, insisted on its dismissal through a sustained agitation, the NDA would have had no choice.

Similarly, Assembly elections were held in 2002 despite Gujarat's communally charged atmosphere, the terrorising and disenfranchisement of Muslims, and absence of rehabilitation of the victims. After rightly raising objections, the Election Commission held elections, citing a questionable precedent.

Mr. Modi capitalised on Hindutva hubris and won. The Congress's soft-Hindutva line made it the BJP's 'B Team.'

Instead of being in prison, Mr. Modi has occupied the seat of power in Gujarat. He has tried to cover up his crimes while his police intimidated witnesses. His presence has been poisonous, not just in Gujarat. Nobody has brought as much international disrepute to India. No other chief minister

has been denied a visa in numerous countries for complicity in gross human right violations.

Mr. Modi rules Gujarat despotically, and pampers Big Business while sacrificing public welfare. Gujarat has stagnant or falling indices in health, education and gender equality:

Seventyfour percent of Gujarat's women and 46 percent of its children are anaemic. Its female-male ratio is an abysmal 487:1000 in the 0-4 age-group and 571 in the 5-9 age-group (national averages, 515 and 632). Gujarat's health indices are barely higher than Orissa's. Its social sector spending relative to public expenditure ranks a lowly 19 among 21 major states.

Mr. Modi's fast has failed to put even a paper-thin moderate gloss on his image. But he has succeeded in shifting the BJP politically to the Far Right. Even Mr. Advani now says Mr. Modi can handle "any responsibility," presumably including the prime ministership.

Mr. Modi's ambition is to win the Gujarat elections next year, and then become BJP president. This would give him a definite edge over other "second generation" leaders like Ms. Swaraj and Mr. Arun Jaitley. He then hopes that with the backing of powerful business lobbies, he will become the NDA's Prime Ministerial candidate.

However, such a pre-poll arrangement can be safely ruled out. The JD(U) will oppose it. It's also extremely unlikely that former NDA constituents like Biju Janata Dal and Telugu Desam will return to the alliance under Mr. Modi.

It's only in the unlikely event of the BJP winning 200-plus Lok Sabha seats that a post-election alliance will emerge. But it's difficult to see how the BJP can increase its tally by over 70 percent (from the present 116) unless it does miraculously well in Uttar Pradesh, where it's Number 4.

Ironically, by shifting the BJP Rightwards, Mr. Modi will have narrowed its base and electoral appeal. A headline Hindutva line will massively and irrevocably repulse the religious minorities, which form one-sixth of the national vote, roughly one-half of what's needed to win a national election.

Narrowing of the BJP's base will probably open up new political spaces while weakening bipolarism. This would offer interesting opportunities to secular Left-of-Centre forces, admittedly amidst national-level instability.

The BJP could soon find that Mr. Modi, with his insufferable arrogance, megalomania and ultra-individualism, is a liability.

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THIS DAY IN HISTORY

September 26

1950

Indonesia is admitted to the United Nations.

1960

Fidel Castro announces Cuba's support for the U.S.S.R.

1960

Kennedy and Nixon clash in TV debate. Almost 70 million Americans tune in to watch the first ever televised debate between the two presidential candidates.

1962

The Yemen Arab Republic is proclaimed.

1983

Soviet military officer Stanislav Petrov averts a likely worldwide nuclear war by correctly identifying a report of an incoming nuclear missile as a computer error and not an American first strike.

1984

The United Kingdom agrees to the handover of Hong Kong.

2000

Anti-globalization protests in Prague (some 20,000 protesters) turn violent during the IMF and World Bank summits.