

## JS committee takes issue with prices

*Expression of unhappiness is not enough*

**W**E appreciate the activism of the parliamentary standing committee on commerce ministry in coming out of the confines of parliament and taking up the burning issue of price jacking in Ramadan market. While expressing displeasure, it has asked the commerce ministry to step up market monitoring to keep prices at a 'tolerable level'.

The parliamentary standing committee as an oversight body should go beyond exhortations. It will take much more than expression of concern and exhortations to keep market manipulators in check where profiteering in countless sums of money is involved. When money sloshes in and out of the distorted market mechanisms riddled with cartel and monopoly, nothing short of government cracking down with adequate political will on the string pullers of the markets can yield any positive result.

The instruments of anti-hoarding, consumer protection and competition laws are available but these are conspicuous by their non-implementation. An increasing number of mobile teams are being fielded to monitor prices. But the seasonality of raids on kitchen market as during Ramadan with the annual cycle virtually left to its own extortionist devices has made it in to business as usual. Actually, it has bred a sense of impunity rather than enforced a sense of social commitment or business ethics among the trading community who also have proximity to political power.

Imagine the present situation, the commerce ministry keeps telling us that supplies are abundant. There is every reason to believe that supply side is strong given the productivity and procurement figures. Why then the unabated price hike?

Although demand in Ramadan increases, observers believe that due to falling purchasing power of the consumers this year's demand is rather dampened. Given a steady availability picture there should be no earthly reason for prices to be hiked like these have been. Take the case of edible oil; its international price has decreased but the local price has not. Surely, the government has a lot of work to do to strike at the roots and bring about a healthy connection between wholesalers and retailers. The immediate priority though is containing extortions at different levels that give a handle for price markups.

## Home ministry report revealing

*This is as it should be*

**T**HE home ministry probe report on the killing of Mamun Bhuiyan on May 29 has brought to light the real story behind his death while he was under arrest. It has confirmed that he was not snatched from police and then killed by an angry mob. Quite to the contrary, it was Sub-Inspector Nripen Chandra Dey of Kaliganj police station who had reportedly produced Mamun to his rivals who then killed him in front of the police.

We welcome the home ministry initiative which we believe has responded appropriately to a matter of serious public concern. In a rare response to media reports and public concern over sweeping Mamun's death under the carpet, the home ministry report has put things in right perspective.

We were told by an earlier police report that although the police officers neglected their duty to some extent, they could not protect Mamun from an infuriated mob. In other words, the earlier report sought to shield the police personnel from the allegation of complicity in a heinous crime. The home ministry report has revealed that the responsible police officer abused his power by violating both criminal codes and police rules. He was not the investigation officer nor did he have an arrest warrant. Worse still, he made the arrest in plainclothes.

It demonstrates not only the extent to which police abuse their power but also the fact that such abuses are more often than not concealed by questionable investigation. The home ministry report, however, shows that transparent investigation is possible and the only way to hold police accountable for their activities.

While there has been a growing gulf between media and the home bosses especially regarding the extrajudicial activities of the law enforcing agencies, this is an instance of how trust and cooperation between the two can lead to positive developments in ensuring police accountability. We hope this trend will continue to grow

# Building castles in the air



SYED MANSUR HASHIM

**T**HE drama of the proposed Padma Bridge building keeps getting more mysterious with the passage of time.

On the one hand, we find the ministry of finance informing us that the last "objectionable" character has been removed from office and now there are no more obstacles standing in the way for the stalled funding to move ahead. Simultaneously, we have mixed signals coming from the top tiers of government telling us that Bangladesh is not interested in external funding -- that we will build the bridge using own resources. The ground realities of building a bridge utilising funds other than that which had been on offer from multi-donor consortium including the World Bank constitute multifarious problems and costs.

First of all, there is the question of finance risk. It is going to be a monumental task for the government to get hold of an international construction company with proven track record of completing mega projects such as the Padma Bridge. As pointed out by Dr. Akbar Ali Khan in a recent seminar, having the World Bank on the project will provide the financial security any global construction company will demand prior to getting involved in a project that will span many years. In the absence of 1st tier construction companies responding to the bid, we will be left with inexperienced contractors with dubious track record, in which case neither a timeline for project completion nor the risk of cost overruns can be ruled out.

On the question of mobilising local funds, there are a number of

impediments. To what extent can the government draw upon its foreign exchange reserves remains a major question. This is primarily so because the International Monetary Fund has set strict conditions on the Extended Credit Facility (ECF) loan

repayment period. According to an article published in the *Financial Express* recently, a five-year loan to the tune of \$1.8 billion carrying an 8% interest rate would cost the national exchequer \$455 million per annum, whereas a seven-year loan

any payments. It would however have been able to collect toll money from Day 1. For the next decade after grace period, Bangladesh would have been required to pay interest @2% per annum and for the remaining two decades, a mere 4%. The country would have paid the Bank an estimated \$27 0million over a 40 year period.

From a financial perspective, moving ahead on the Padma Bridge construction without the World Bank consortium fails to make sense. Given that, without a transparent system to oversee allocation of funds, the government will face a monumental task in getting the international banking system to agree to provide a syndicated loan. In light of the fact that the World Bank minced no words in pointing the finger of corruption at Bangladesh and the government's reluctance to move forward on cases of alleged graft, there is little to indicate international financiers, even commercial ones will be in a hurry to fund the project.

While it may make perfect sense for the government to go on beating its nationalistic drum on how the contributions of school children's lunch money will build the "great bridge," construction of Padma Bridge will require serious funds and a system of checks-and-balances, neither of which is at present available to the state. At the end of the day, it is up to the government to decide on whether it is serious about moving ahead with the single largest infrastructure project of its tenure -- whether it will be based upon economic realities, or whether it will subject its citizens to yet another round of economic hardship through imposition of irrational surcharges in the hope of getting the stillborn project off the ground.

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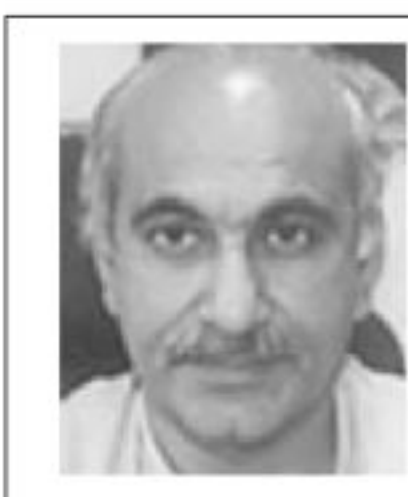
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amounting to \$987 million. The Quantitative Performance Criteria and Indicative Targets in the ECF agreement stipulate that the government, under no circumstances can issue sovereign guarantee and take non-concessional loans exceeding \$1 billion by December, 2012. So, if the government were to move ahead with construction in 2012, it will have to find alternative sources of funding.

Any commercial loan will carry a hefty interest rate and shortened

would cost \$349 million per annum. Hence, going with Option A, Bangladesh ends up paying an estimated \$2.23 billion for the five-year option and \$2.44 billion for the seven-year package. In comparison to commercial loans, the now largely-defunct credit line would have carried a 0.75% service charge and a maturity repayment period of 40 years. What is of more import is that Bangladesh would have had a 10-year grace period after completion of construction before making

### BYLINE



M.J. AKBAR

**T**HAT infallible icon of contemporary mores, Oprah Winfrey, seems to have suffered deep and choking

revulsion at the sight of Indians eating with their hands. The very rich and extremely civilised Oprah must be eating with her feet. All of us eat with our fingers. Some of us feel the need for metal or wooden appendages to our fingers. To each his own; why get smug about this?

The cutlery *wallahs* believe that spoon and fork are hallmarks of cleanliness. This logic seems a trifle dubious. At least your fingers belong to you. Cutlery does not. Do you really want to know who shoved the fork into his mouth just ahead of you in a restaurant? You don't want to go there, so unconsciously keep such questions out of your mind. Convention can become a barrier to the obvious. Those who do not believe in being spoon-fed simply keep their hands and fingers clean. They wash before a meal. Moreover, the Indian climate is conducive to bathing; a bath is not considered a special event, as it was in colder climes before central heating and running hot water.

History confirms that the major power of an era determines what becomes socially correct within the penumbra of its influence. Power, empirically measured by economic growth and military supremacy (the two are not entirely unconnected), is a cyclical occurrence. Egypt, India, China, Mexico, Mesopotamia, Persia, Greece, Rome, Turkey, Mongolia, Kampuchea, Russia, Britain, France, Germany, America: all have had their turn. Success sets the standards of usage and behav-

our. The Persian beard was doubtless all the rage when Darius ruled the routes; and Bernard Lewis notes, wryly, that the gentlemen of Cairo began to prepare for the Mongol onslaught after the destruction of Baghdad in the middle of the 13<sup>th</sup> century by adopting the drooping moustache of Chengiz Khan. Mughal dress influenced court and popular wear all across southern Asia from Herat to Rangoon for an age, and the bright red Ottoman fez

than the lungi or dhoti of my ancestors -- although I may now be talking like a victim. The British gave their empire and its huge hinterland a dress code. The Americans gave us food. It was fast, but it was food.

This is entirely appropriate as a difference between a democracy and a plutocracy, which is what Britain was during its imperial phase. British food may or may not be described as an oxymoron, but it was designed for the stomach, not the palate.

*Any prevailing superpower can influence style and surface behaviour, but when it tries to permeate through culture, the effort begins to congeal. Style has a value; it can be purchased.*



was a defining visual of Muslim identity up to Hollywood films of the 1950s, long after the reformer Mustafa Kemal Ataturk had abolished them in Turkey as a memento of medieval nostalgia.

The British gave us trousers for which I, at least, am deeply thankful. They are far more comfortable

America, on the other hand, does not quite understand dressing up. It is stretching a point to call jeans, America's contribution to clothes, haute couture. But only in the Age of America could something created for obesity, such as the McDonald's hamburger, conquer the world. You can eat this hamburger after a stern

party committee meeting in godless Beijing, or after a submissive pilgrimage in Mecca, or after a holy dip in the Ganga at Allahabad.

Wherever you go, McDonald's follows you. You can, with some luck and creative positioning, avoid the American Army, but you cannot escape the American McDonald's. The law of capitalism is unflinching: no army can defeat a market force.

Any prevailing superpower can influence style and surface behaviour, but when it tries to permeate through culture, the effort begins to congeal. Style has a value; it can be purchased. Culture, to use a familiar line, is priceless. Culture is far deeper than modern needs, compulsions or attractions.

Let me end with an example from -- where else? -- India. We inherited English from the British empire, and have turned it into the operating language of the ruling class. We govern in English. We write our balance sheets in English. While news is available in every language, English news in print or television still earns a premium in both advertising and influence. We seem to have everything in English, but we do not have television soap operas in English. Why? Because we still laugh and cry in Hindi, or Urdu, or Bengali or Tamil or Bhojpur -- in the tongue of the mother.

We can turn for news to BBC or CNN, but Oprah Winfrey would flop on Indian television. Not because she is good or bad, but simply because she is the voice of a different culture. She thinks fingers are distasteful; we consider finger-licking a gesture of great appreciation.

No one is right, and no one is wrong. We are merely different, and long live the difference!

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## THIS DAY IN HISTORY

July 31

- 1658**  
Aurangzeb is proclaimed Moghul emperor of India.
- 1932**  
The NSDAP (Nazi Party) wins more than 38% of the vote in German elections.
- 1941**  
Holocaust: under instructions from Adolf Hitler, Nazi official Hermann Göring, orders SS General Reinhard Heydrich to "submit to me as soon as possible a general plan of the administrative material and financial measures necessary for carrying out the desired final solution of the Jewish question."
- 1991**  
The United States and Soviet Union both sign the START I Strategic Arms Reduction Treaty, the first to reduce (with verification) both countries' stockpiles.