

Fuel price increased again

Was it unavoidable?

ALTHOUGH the price of fuel, i.e. diesel and octane has not been raised in a year, this is the fifth fuel price hike during the tenure of the present government. As of January 4, 2012, price per litre of diesel and kerosene have jumped by Tk7 and that of octane and kerosene recorded an increase of Tk5. Hence, consumers will now pay Tk68 per litre of kerosene and diesel, Tk99 for octane and Tk96 per litre of petrol.

As expected, rationale for such increase in price of fuel across the board is an attempt to reduce subsidies and an increase in price of fuels in the international market. The move will help government to save Tk2,500 in subsidies. While that may good news for the government, it certainly means bad news for not only vehicle owners but for consumers in general. Given the fact that the government has raised prices of fuel four times in 2011, it is yet unclear precisely what 2013 holds in store for us. It is somewhat difficult to understand the government position which hopes that international oil prices will stabilise, especially in light of the heightened tensions in the Mid-East revolving around Iran. Our past experience tells us that once prices are increased they stay that way regardless of prices in international markets.

The inflationary pressures that will inevitably accompany this latest price hike are multifarious in nature. As stated before, transportation costs will go up and the increase will be much more than a proportionate increase. As we all know very well, any increase in fuel prices increases cost of transportation leading to rise in prices the “excess” burden of costs that is ultimately borne by the end-consumer. Again, going by past experience, transporters of both bulk goods and passengers have a tendency to put into effect revised rates that defy logic. This action will merely result in multiplication of cost of goods. Since there appear to be a deficiency in authorities’ capacity to regulate a generally unregulated transportation sector, such fears are not totally unfounded. Whether the authorities have taken all these into cognizance is the question that exercises the public mind.

Jamaat-Shibir violence erupts again

What purpose is served by this?

IN a virulent form of demonstration demanding release of top Jamaat leaders accused of war crime charges and facing trial, Jamaat-Shibir men locked in clashes with the police on Wednesday. In the process, at least thirty persons were injured, several vehicles vandalised and traffic forced into a standstill on Malibag-Rampura stretch of the DIT Road and its adjacent thoroughfares. This happened for more than an hour with ripple effect felt along a large swathe.

What is particularly disturbing is their forming into procession and suddenly appearing at one traffic intersection or other as they go about blasting cocktails, hurling brick chips with the result that the police fired several rubber bullets and teargas canisters to bring the situation under control.

The sudden eruptions of bellicosity on the part of Jamaat-Shibir have fallen into a pattern and the police’s reflexive action has had to be matching as well. The public are made to suffer through unexpected disruption of their activity.

By the look of things, the Jamaat is getting into a mode of unleashing violence through staging programmes in different parts of the county. For instance, like in the recent past, Jamaat created troubles beyond Dhaka -- in Chapainawabganj and Chittagong.

Just because a programme has been announced previously does not necessarily mean it would not be watched over and any violent act would be allowed to pass with impunity.

So long as a political party or its student wing hold processions peacefully, there should be no reason to resist it. It’s only when Jamaat crosses the line, uses muscle, blast cocktails, vandalises vehicles and hold the traffic to ransom that a law and order situation is created in which those who are in charge of public security

THIS DAY IN HISTORY

January 5

- 1066
- Edward the Confessor dies childless, sparking a succession crisis that will eventually lead to the Norman conquest of England.
- 1912
- The Prague Party Conference takes place.
- 1919
- The German Workers' Party, which would become the Nazi Party, is founded.
- 1945
- The Soviet Union recognizes the new pro-Soviet government of Poland.
- 1968
- Alexander Dubček comes to power: "Prague Spring" begins in Czechoslovakia.
- 1976
- The Khmer Rouge proclaim the Constitution of Democratic Kampuchea.
- 1991
- Georgian forces enter Tskhinvali, the capital of South Ossetia, Georgia, opening the 1991-1992 South Ossetia War.

STRAIGHT LINE



MUHAMMAD
NURUL HUDA

POLITICAL thinkers are of the considered opinion that in terms of an hierarchy of constitutional rights, the right to vote should be placed at the top of the list

because it concerns the right to full political participation or what has been termed "the physics of consent."

According to these thinkers, at the very centre of such human freedoms, the entitlement upon which the utility of the remaining liberties depend and which gives them added zest and meaning, is the right to vote. In saying so one would be pointing to a manifest example of a civil liberty. In fact, that is a key civil liberty which is realisable only through positive state action. Therefore, it follows that the right to vote cannot exist in the abstract. It requires a large state machinery to make it work.

The right to vote has been described as civil liberty as distinguished from other human rights because this right is a primary right that ensures political participation, and from this right flow additional rights. In other words, the rights of citizens are political rights that are exercised in community with others. Such rights facilitate participation which in turn nourish and sustain a democratic polity. In such a perspective, it is only proper that we venture to appreciate the concerns of our citizens about the exercise of the right to vote in the next general election.

In view of the above stipulations, what should genuinely worry concerned citizens of Bangladesh is the peaceful and fair holding of the next general election, because the major political parties of the country belonging to the opposition have demanded the revival of the caretaker government to oversee the general election, without which they would not participate in the election. The government in its initial response has almost rejected the opposition's demands, adding that the same may be discussed in parliament if the major opposition party stops its boycott of the law-making body. The opposition in turn has said that they would compel the government, through mass-movement, to accept

STEPHAN RICHTER

THE International Monetary Fund (IMF), at long last, has begun to open up. Gone are the days when it acted as a handmaiden of Western, mainly US, economic orthodoxy. It is even throwing a gauntlet down to the mighty US Federal Reserve, questioning the effects its constant monetary boosting has had on the rest of the world.

Given that the IMF is the key arbiter on many key issues of global finance and economics, and hence also over global fairness and equity, the change should be greatly welcomed. Over the past decade, the reform debate had centred mainly on giving emerging market economies more voting power, by commensurably reducing the voting shares of the "rich" world.

Given the global economic dynamics, the adjustment was of course long overdue. One clear indication is that the IMF's senior-level staff members have become much less American and less European. But now, the first substantive consequences of these shifts are beginning to emerge. The frontline of this fight is the IMF's Research Department, where old school guys (yes, mostly guys) and rich country governments battle the new thinkers. Take, for example, the third quantitative easing (QE3) the Fed announced in late 2012. From the American perspective, the big boost in money supply is intended to stimulate economic growth -- and therefore job creation -- at home.

The extent to which these measures actually achieve that goal continues to

its demands.

The above positions definitely are not indicative of a positive election scenario, more so in the last year of a political government in Bangladesh where, if past experience is any guide, as the incumbent's tenure nears the end, it behaves in a precariously despotic and insensitive manner, with the opposition displaying fearsome desperation to achieve its goals. So when desperation and despotism counter each other, there is a reasonable possibility of unwanted clashes taking place. Inevitability of such a scenario is encouraged and strengthened by the pathetic lack of sensitivity to the public good by our political parties.

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Looking back one may find that small level forgery, forcible closure of voting through muscle flexing by bullies of the party, voting by impersonation in some constituencies were resorted to by a section of the political party, particularly in the sensitive or remote areas of the country. By and large these did not attract serious attention as it most often did not significantly affect the national polls.

The situation, however, changed ominously as extra-constitutional rule descended on the body politic and the period from 1982 to 1988 saw some of the worst electoral malpractices that were legally punishable and morally reprehensible, to say the least. Sadly

be the subject of much controversy even in the US. What is not controversial is that these measures can have a negative impact on emerging market economies. And policymakers there will generally agree that it is important to have a growth-oriented US economy.

But there is growing concern as to whether US authorities are not increasingly poking in the dark with their policy measures. QE3 has mainly boosted the stock market, not the real economy -- and even the stock market effect is wearing off.

Either way, emerging market economies are no longer willing to

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acquiesce. Brazil has stepped forward to lead the defence. That has upset many US policymakers. Perhaps not surprisingly, that has also generated a lot of negative press about Brazil in the US media.

Enter the now more open-minded IMF, as Boston University professor Kevin P. Gallagher has documented, it has issued a whole range of reports that cast a critical eye on the spillover effects that quantitative easing in the US has had on emerging market economies.

The IMF found, for example, that lower interest rates in the US were associated with a higher probability of a

for the nation, the public services of the country that included subordinate magistracy and the enforcement apparatus, amongst others, played a pathetically energised and ignominious role in the shameful stage-managed election at the behest of a malevolent autocrat. Expressions like "Media Coup" became known for the first time in our part of the world where, despite the economic adversity, the general population and the election managers could be proud of tolerably healthy electoral practices.

The fall of autocratic rule in December 1990 raised hopes about fair election but unfortunately the democratic aspirations got a rude jolt at the irregularities of the now lamented Magura by-election and the least participated February 1996 national polls. Continuous agitation and hartals by the then opposition

parties shortened the tenure of the government that followed the February 1996 election and the concept of a non-partisan and neutral caretaker government was accorded constitutional recognition. However, this arrangement has not been fully successful in assuaging the fears of a biased and rigged election.

The demand for restoration of caretaker government to oversee general election (now constitutionally struck off) is largely related to the issue of conduct of public servants during elections. All public servants entrusted with election duties come under the control and supervision of the Election Commission during a fixed period. That is the official position.

However, posting of loyal and pliable officials in key positions by the party government prior to relinquishing power has created administrative complications. In 2001, after the dissolution of government, thirteen secretaries to the government were transferred on the very first day the

caretaker chief assumed charge of office. Later on, there was large-scale transfer of deputy commissioners and superintendents of police of districts along with wholesale transfer of all officers-in-charge of the police stations of the country.

Whether such massive exercise, entailing huge expenditure of the public exchequer, was in the real interests of impartial conduction of national election has not been established beyond doubt. A particular political party continued to complain that officials hostile to them were deliberately posted to key positions and that such official acted in a very partisan manner during the election. Many such officials were allegedly rewarded with prize postings after election. Whatever be the merits of such officials, the allegations of the particular political party could not be brushed aside under the circumstances.

The key question, however, is the criteria of selecting and posting an impartial public official during election time. Officially, all public servants are regulation-bound to act in a neutral and non-partisan manner. The ground reality, however, is that officials appointed and posted by a particular party government are not considered trustworthy by the opposition. So what would be the scenario like during the next election? This issue would be very crucial because public servants in key positions have considerable influence on the election process.

It is a considered view that unless sufficient precautionary and remedial political and administrative actions are taken in time, the election scenario will remain fraught with grave threats to public peace. The major political parties have a do or die mentality in their preparation for the battle at the polls, which undoubtedly does not bode well of a democratic polity. For many, this looks like the last election of their lifetime. Unfortunately, leaders who have been thrust into positions of national responsibility are unable to look beyond their nose. The myopia of such elements disgraces the inherent goodness of our common folks, whose resilience and patience demand an enlightened management of the affairs of the state, including the election.

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The silent revolution inside IMF

drastic increase in capital flow into emerging market economies. And it declared that such increase in capital flows can cause currency appreciation and asset bubbles, which in turn can make exports more expensive and destabilise the emerging market economies' domestic financial systems. In addition, the IMF is warming up to the view that, in order to fend off these problems, it may well be advisable to use counter-cyclical capital account regulations, as Brazil and South Korea have begun to do. The use of such regulations flies in the face of the old IMF orthodoxy. At the behest of the US Treasury, especially

who serves as the chairman of the IMF's key Policy Steering Committee, and his Brazilian counterpart Guido Mantega have seen to it that the notion of "global governance" finally gets some real-life meaning.

Global governance reform is about much more than changing voting rights in the IMF's and the World Bank's boards. It concerns a very hands-on process to ensure a fair and equitable share of the burdens of adjustment in the global economy and finance.

The success of this campaign owes much to the fact that the richer countries from the South now act very much as global lenders, too. As a result, it can no longer be said that a bigger role for the emerging market economies would mean putting the borrowers in charge of an institution that ought to be rightfully controlled by the lenders.

The world at large has reason to rejoice in the fact that the IMF is taking off its self-imposed ideological blinders. If the current trend of change continues, and all indications are that it will, it would represent a big step forward for better global governance.

That this is happening in the field of global finance makes it that much more meaningful. It is a key step in reining in an industry that has completely lost its focus on serving the real, not the surreal, economy and whose machinations have proven to have effects similar to nuclear radiation.

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