

Fuel price increase

A trigger for inflation and higher costs

THE government's decision to go for an almost across-the-board fuel price hike, for the fifth time during last four years of its tenure, has raised questions about the justification of the move from different quarters. It has already drawn flak from the consumers' association, transporters, manufacturers and farmers in varying degrees. Economists have also been critical of the hikes that too by a significant margin over the previous rates.

First and foremost, it is a hard option that the government has taken without sufficient thought having been apparently given into its possible ramifications. The public hearing that the BERC held was like going through the motions because the government's mind had already been made up on the issue.

From purely economic considerations, it appears to have been a misstep and to an extent unwarranted as well. Even allowing for the fact that subsidies needed to be cut back on, the latest spate of increases should have been avoided with a greater focus given on better management. The underlying reason seems to have been to meet an IMF conditionality. But in view of the final year of the government's tenure such a decision was expected to have been taken with due circumspection and deliberation.

More to the point, the rate of inflation was just about to be in decline and also the international oil prices are reportedly falling.

In particular, the increase in diesel and kerosene prices by Tk 7 per litre which by a single stroke has been a good 11.5 percent increase over the previous rate is a little too harsh. High cost of diesel could affect boro production that constitutes the bulk of food output in the country.

As a matter of fact, rising prices of fuel have always triggered price and inflationary pressures which cannot bode well for the consumers who actually have to take brunt in the final analysis.

Mobile tech for development

Requires coordinated effort of public and private sectors

THAT mobile technology can and should be used for more than personal communication came out loud and clear at a roundtable entitled, "Turning the Future: Mobile Services and its impact on Health and Development Sectors in Bangladesh" held in the capital on Saturday. The focus was however, on the health sector, drawing lessons from the tremendous contribution it has made in the life of the farmers in Bangladesh.

Interestingly, more than 65 percent of the people in this country use mobile sets, and in this regard Bangladesh is eleventh in the world in terms of mobile telephone density, i.e. percentage of population using mobile communication. Given that, mobile technology can come in good use in the field of health service, in particular, it can help take health service to people's doorstep, by way of informing them as to where and how to get the required medical advice and attention.

However, this would require addressing a few problematic areas.

Firstly, given the level of literacy it would help if messages were delivered through voice call rather than sms. And we understand that the facility would soon be ready and running. But there is need also to develop technology where one could send text message in Bangla.

It needs little emphasis that whatever technology we employ not only should it be affordable it must also be appropriate and user friendly for the rural populace, for whom the programme is primarily meant, keeping the average literacy rate in view.

The programme would require interface of public and private sector investment and a robust infrastructure equitably spread over the country. But above all, there is need for a comprehensive awareness programme to make people aware that there are indeed such facilities on offer, and in this regard the media have an important

10th Parliamentary election: Why DCs should not be recruited as ROs

MD. ABDUL ALIM

IT was reported in Prothom Alo (January 2) that the Election Commission (EC) is going to recruit deputy commissioners (DC) as returning officers (RO) for the 10th Parliamentary election. Traditionally, DCs have been recruited as ROs to conduct the elections at the constituency level. Since the 1st Parliamentary election held in 1973, the EC recruited at least 618 ROs, and all of them were from the administration cadre of the government. Additionally, at least 3,888 (data was not found for 1988 and 1996 elections) assistant returning officers (ARO) were recruited for the Parliamentary elections of 1973-2008, but only 36 of them were recruited (in 1996, 2001 and 2008 elections) from the EC's own personnel. So EC has been depending on officials of the administration cadre to run the elections since 1973.

An RO is all-in-all in conducting election at the constituency level. He not only enjoys a lot of authority but also has enormous discretion in doing his duties. ARO works under his jurisdiction. Security forces deployed for election are accountable to him. He is the person responsible for recruiting and controlling presiding and assistant presiding officers. He is also responsible for setting up the polling stations in the concerned constituencies. He can even move a polling station from one place to another. He can either take legal action against violation of election code of conduct or can overlook it. He can either call the security forces to take action against electoral crimes or not. He has scope to favour a candidate and can disfavour a candidate. So the neutral role of an RO during the campaign period and on the polling day is crucial to make the election free, fair and credible.

Recruiting DCs as ROs has been the practice since the 1st Parliamentary election. So what is the problem in recruiting them as ROs? Firstly, our civil service is politicised. Recruitment, promotion and posting of the



SYED ASHRAFUL ALAM/TITO/DRBK NEWS

Election is the heart of democracy. Due to many reasons, the next election in Bangladesh is very important. Failure in conducting free, fair and credible election will not only result in a "Sidr" in the political culture of the country but also have a negative impact on its economy and governance.

officials, to a large extent, depend on their political colour. So, would it be possible for a political DC to play neutral role in the elections?

Secondly, there is difference between a DC under Caretaker Government (CTG) and a DC under political government. Psychologically, the mindset of a government officer depends on the mindset of the government. In the last four elections held under CTG, they could play a neutral role as the government wanted them to play neutrally. But what happened in the elections under political government? Campaigning during the 1973 election was marred by violence and accusations of voter intimidation, though voting day was relatively quiet. Voting was rigged in favour of BNP candidates in 1979 election. Voter intimidation and fraud appeared to favour the political party supported by the government. The last general election held under political government in 1988 proved instrumental in destroying the acceptability of election to obtain people's mandate." As

the ROs were not able to do anything to stop election engineering in the previous elections held under political governments, the same thing may happen in any general election under political government.

Thirdly, a DC is recruited as RO for a very short period of time. After the election job, he has to go back to the government. Under a political government, he cannot take any risk of dissatisfying his boss when he goes back. Rather, he may try to satisfy the government as his promotion and posting are controlled by the government.

Fourthly, although an RO is accountable to the EC for his election duty, a DC turned RO is not afraid of the EC as his job is controlled by the government, not the EC. He knows well that the EC does not have any power to fire him even if he intentionally commits a misdeed in the electoral process.

Considering the above-mentioned realities, the Commission headed by Dr. A.T.M. Shamsul Huda started recruiting ROs from EC's own staff.

Is the economic war over?

PAUL GAMBLES

FROM the London Olympics through to Queen Elizabeth II's Golden Jubilee, the European football triumphs of Spain and Chelsea, to 50 Shades of Grey, Gangnam Style and the eventless passing of the end of the world warnings, many people are looking back on 2012 with fond memories and also looking forward to 2013 feeling more optimistic about global investment opportunities.

A thick coat of gloss was applied to shabby, tired-looking global equity markets during 2012, giving a real shine to the year end results -- markets were up over 10% on average (including the Stock Exchange of Thailand's gains of well over 30%).

However, this has only taken global markets back to just above the levels at which they started 2011, which is also barely where they were at the Chinese New Year shortly thereafter, and some way below the levels of Songkran that year.

This all just looks suspiciously similar to a smaller version of the pattern whereby global stocks peaked at the end of March 2000 before falling by almost 50% in the next two years and then regained that ground over the next four years, making a new peak in 2007 and then tumbling again.

In short, global stock prices are not only below where they were in March 2000 and in April 2011, but they're still hovering around a correction (i.e. 20%) than they were in November 2007.

That doesn't mean that there haven't been investment opportunities. There have. Allocations to gold

and bonds have helped MBMG to almost double our client's investment values over the last 12 years. Even in 2012 our high-risk themes have yielded returns of well over 30% (mainly from trading gold futures) while our fixed return portfolios made over 7% in the last year in a wide range of currencies.

Even the initial news of the retail sales season seems to be reflecting increasing positivity. There are definitely more smiles around this year and more champagne glasses being raised as, in the background, the first few bars strike up again telling us that this is a "Happy New Year."

Being inherently contrarian, I

ing to conserve their capital. The world's very best risk-adjusted portfolio managers, the most consistent over the cycle and the best at protecting investors against the risk of loss, achieved returns ranging from just 1% to 5% for the final year of the Mayan Calendar.

No wonder, with another year over and a new one underway, some investors are showing signs of frustration, impatience or sheer incomprehension, especially in light of the recent stock market bonanza.

The frustration of the last 12 months is that the boat that the global economy is in looks very similar to the one that seems to

The frustration of the last 12 months is that the boat that the global economy is in looks very similar to the one that seems to have been foundering for the last few years. The economic challenges facing the global economy seem greater than ever; debt levels are higher (and still rising) not lower (and falling) while policy-makers remain in denial (as evidenced by the divisiveness in Washington over the "fiscal cliff").

can't say I'm sharing all this cheer. Nor, for what it's worth, have I ever been much of a fan of The Beatles (John Lennon was always the least fab of the four as far as I was concerned). And so you can imagine my frustration at being unable to stop his voice constantly and accusingly reverberating over the festive season. Yes John, it's very pertinent to ask what have any of us actually done -- the old and the young, the weak and strong?

However, the last 12 months have been frustrating for most investors -- especially those looking to achieve better than fixed returns but want-

have been foundering for the last few years. The economic challenges facing the global economy seem greater than ever; debt levels are higher (and still rising) not lower (and falling) while policy-makers remain in denial (as evidenced by the divisiveness in Washington over the "fiscal cliff").

Yet now, more than ever, a strategic compass is vital. Too many investors have been seduced by the short-term market response to misguided economic policies into holding the wrong assets, hoping that the new year is a good one without any fear.

This initiative started since the Bhola-3 by-election held on April 24, 2010. Later, in all the parliamentary by-elections, EC officials, not DCs, were recruited as ROs and AROs. Moreover, at all the local body elections held during 2009-2012, EC officials worked as ROs and AROs. Furthermore, in the last union council elections, EC officials worked as appellate authority. The objective behind those moves by the last Commission was to build the capacity of the EC's own officials so that they could be ROs and AROs in the next parliamentary election.

According to the current organogram, EC has 721 1st class officials in the secretariat, Electoral Training Institute and in the field set-up. Although the number of existing officials is less than the approved number, I am sure it has enough officials to run a Parliamentary election. Moreover, there are at least 70 senior EC officials who have gathered 18-25 years experience with EC.

Some of them have working experience in the UN missions in transitional and post-conflict countries. In Bangladesh, they were involved in all the electoral activities -- pre-election activities, election-day activities and post-electoral activities. Furthermore, they are fully accountable to the EC and their job is controlled by the EC. So, there would not be any question if they are recruited as ROs. If there is shortage of officials, EC could recruit some AROs from the administration cadre.

Election is the heart of democracy. Due to many reasons, the next election in Bangladesh is very important. Failure in conducting free, fair and credible election will not only result in a "Sidr" in the political culture of the country but also have a negative impact on its economy and governance. So, whatever government is there -- CTG or political -- EC should consider recruiting its own officials, not DCs, as ROs. This will give credibility to the election and ensure greater independence of the EC.

The writer is a former head of the Election Project, UNDP Bangladesh. E-mail: alim3492@yahoo.com

THIS DAY IN HISTORY

January 7

1610

Galileo Galilei makes his first observation of the four Galilean moons: Ganymede, Callisto, Io and Europa, although he is not able to distinguish the last two until the following day.

1959

The United States recognizes the new Cuban government of Fidel Castro.

1979

Third Indochina War Cambodian-Vietnamese War: Phnom Penh falls to the advancing Vietnamese troops, driving out Pol Pot and the Khmer Rouge.

1984

Brunei becomes the sixth member of the Association of Southeast Asian Nations (ASEAN).

1989

Prince Akihito is sworn in as the emperor of Japan after the death of his father Hirohito

1993

Bosnian War: The Bosnian Army executes a surprise attack on the village of Kravica in Srebrenica.

2010

Muslim gunmen in Egypt open fire on a crowd of Coptic Christians leaving church after celebrating a midnight Christmas mass, killing eight of them as well as one Muslim bystander.

The writer is managing partner and chief investment officer of MBMG Group.

© The Nation (Thailand). All rights reserved. Reprinted by arrangement with Asia News Network.