

Shutdowns: Economy feeling the brunt?

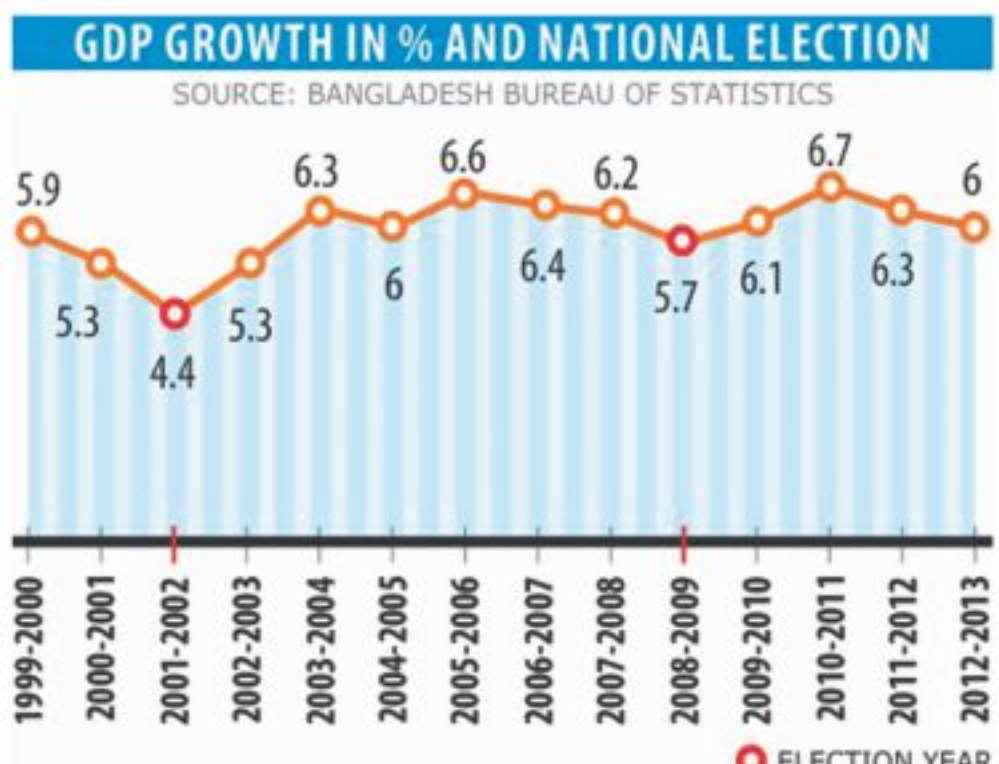


FAARIA TASIN

THE biggest challenge for individuals and firms nowadays is to work their ways around 'hartal' due to its increased frequency. *Hartal* was popularised by Mahatma Gandhi during the 1920s and 1930s when he institutionalised it by categorising a series of anti-British movements under this term. Originally a Gujarati expression, the word 'hartal' can be translated as 'locking doors' or 'closing down shops.' However, in present day Bangladesh, *harta*ls are often associated with stagnation of overall economic activity.

It is interesting to note that the intensity of political instability increases as the country approaches closer to election year. The repercussion of this is clearly reflected on the growth rate of Gross Domestic Product (GDP) in election years as it is lower than the preceding years. In fact, growth rate already starts to slide a year prior to election years, depicting the fall in consumer confidence, investment and economic growth during that period.

Investment -- a crucial driver of growth -- has been hindered as a result of political instability. This can be shown as there has been a significant decline in growth rate of loans taken by the private sector as well as the considerable amount of idle money lying in banks; private sector credit growth has fallen from 20.3% in July 2012 to 11.3% in



August 2013. Excess liquidity of Tk.820 billion existed as of August 2013. Private investors are refraining from making commitments and investing as they are uncertain about the length of political unrest, which makes it difficult for them to calculate the depth of their risks. Default loans may also rise since businesses are not able to recover their investments due to a slump in business activities which adjoins to a further decline in economic growth.

The readymade garment (RMG) industry is hurt the most by political turmoil; retail, wholesale shops and shopping malls experience a fall in sales as customers are afraid to come out on hartal days. One way the shops try to recoup the loss in sales is by keeping their shops open on their day-offs.

Although businesses have different coping strategies to make up for some of the loss due to hartal, however, what the industry most certainly cannot make up for is the lucid signal of an unreliable market. Skepticism regarding the economic health of the country may discourage foreign investors from investing as there are other countries offering competitive factors and better political environments.

Lower economic activity also translates into lesser revenue for the government; in the face of a high public expenditure, the government may have to borrow in order to bridge the fiscal gap, and this entails interest rates. Other costs of hartals include disruption in the transport system, which can lead to a rise in production costs as well as hamper transportation of goods. Export competitiveness may decline which can cause a fall in foreign trade.

The group which is most vulnerable to hartals is the daily earners. Day labourers failed to find work amidst shutdowns, and this is reflected in the wage inflation which declined to 9.02% last month from September's 9.27% (BBS). To add to these woes, disruptions in transport systems lead to a shortage in food supply, thus increasing prices. Food inflation in October accelerated to 8.38% from 7.93% in September this year. These kinds of effects of hartals tend to be 'regressive' in nature, implying that lower the wage of the individual, higher will be the burden of hartal.

In addition to economic costs, there are social and human costs associated with political instability. The education sector feels the brunt of hartals as there are costs associated with missed classes and exams postponed. It adversely affects the performance of students and hampers future growth prospects. Human costs exist in terms of lives lost and injuries, however, social and human costs are harder to quantify.

The Dhaka Chamber of Commerce and Industry (DCCI) conducted a sector-wise survey this year to estimate the cost of hartals. DCCI estimated that one day of shutdown causes a loss of Tk.1,600 crore (\$200 million). A total of 52 shutdowns this year imply that losses have been equivalent to approximately 8% of GDP in fiscal 2013.

Interestingly, different studies produce different costs of hartals and recent studies show a higher cost of hartal than previous ones. This can be due to a higher frequency of hartals. A variation in results may also occur as different methodologies were used for different studies. Moreover, a higher cost of hartal may also be a reflection of greater integration between industries in the economy. As interdependence between industries is higher than before, a slump in one industry is likely to adversely affect the other.

The writer is head of research, The Daily Star. E-mail: faaria.ts@gmail.com

Politics for change

ABU AFSARUL HAIDER

dised.

IT is unfortunate that the majority of citizens portray our current politics as a 'dirty business' and politicians are seen as people pursuing their self-interests. Generally speaking, it is true that politicians in any country comprise a class apart from all others but, unpleasant as it may sound, political parties and politicians in our country are a class apart even from the politicians of the world.

When someone who was at one time was on some lower strata in the hierarchy of the social set-up becomes a politician, we see that s/he magically rises to the highest rung of the same hierarchy. Although our politicians are on the highest rung of the social order, unlike the politicians elsewhere in the world, many of them are also on the lowest rung of discipline and morality. It is this feature of our politicians that makes them a class apart from the politicians of civilised countries. With the career of a politician becoming so lucrative and full of material prospects in our country, more and more people are getting interested in this profession, and more and more political parties are being born. The nexus among politicians, businessmen and bureaucrats makes a politician a very strong entity, combining the strength of money with that of power. What more can anyone aspire for?

The main priority of our political parties is to gain power or remain in power by any means. They are least

Our political leadership has of late started acting in a weird manner by engaging in self-destructive politics. Politicians are expected to talk on the key issues of economic development, health, education etc., but, instead, most of the time they are seen criticising and abusing each other using offensive language. Rather than uniting the nation they are dividing it, and making us each other's enemy.

It seems like these so-called politicians are taking advantage of the poverty and emotions of our people to serve their own interests. They exploit our youths as their mentors in politics, and engage them (youth) in fierce feuds on their (politicians') behalf. This unending struggle between the two factions is adding to the general public's discomfiture and proving costly to the business community, affecting trade and export of the country. Despite repeated attempts by the civil society, business, trade and other sectors to bring them together, they have not stopped hostilities. These so-called leaders have failed to develop skills in dispute management and dispute resolution and as such it appears that they are not sufficiently prepared for future political challenges and possible crisis scenarios ahead.

Violent and destructive politics is sending negative signals to the foreign buyers and investors, thus causing a greater dent to our economy than the recent Savar disaster. Investments and



PHOTO: STAR

bothered about the sufferings of people, the nation and the economy. Current political leaders appear to be less dedicated to peoples' welfare and more engaged in conduct of public affairs for private gains. Despite the restoration of parliamentary democracy in Bangladesh in 1991, political governance of the country is still mired in innumerable ills. It broadly features a wide array of confrontation, competition, and monopolisation of state institutions and resources by the party in power.

This trend of politics has tremendously weakened the formal accountability mechanisms and put governance in a crisis. Governance without accountability and transparency, leads to the state machinery being used as a political tool. Patronisation of the state, over which all the political regimes have demonstrated uniformity in their approach, has contributed to the rise of different rent-seeking classes, and marginalising of people who are not actively involved in party politics.

The two major political parties of our country often talk about democracy, but in reality they hardly practice it. Despite rhetorical commitment and prolonged struggles to establish democracy, the political parties have failed miserably to establish consensus over the ground rules for democratic competition and dissent. The prerequisites for the success of democracy are morality, education and socio-economic-political consciousness. Leaders especially must be people of high moral character; otherwise the welfare of society will be jeopardised.

businesses are deserting us, and as a result the exports of garment products from Vietnam and Cambodia rose recently by 22% and 15%, respectively.

People are searching for alternative politics, the politics of human security, accommodation and tolerance. There is general fatigue among the people with the nature of politics. Our young generation, who are educated, qualified and not yet blended into this pernicious culture of politics have the power to change things. They need to raise their voices against what they feel is wrong; they need to be aware about what is happening around them and it is they who can clean the present political system. Absence of high ethical standard of some politicians has given little alternative to voters but to vote to power the same set of politicians. Unless we come out of this vicious and negative politics, mere transfer of power from one hand to another will not bring any real change to this nation.

We believe that now is the time for those who possess courage, vision, leadership quality, the ability to share power with others and, above all, love for the country, to join politics. We need leaders who have a highly committed approach to politics, and can weed out all the wrong practices, oppose wrong traditions and, most importantly, bring unity for betterment of the people of Bangladesh. Plato said: "One of the penalties for refusing to participate in politics is that you end up being governed by your inferiors."

The writer is a businessman. E-mail: afsarulhaider@gmail.com

Rationale for a national government

M. INAMUL HAQUE

PRIME Minister Sheikh Hasina, in a television speech to the nation on October 18, proposed an all-party government to run the 10th Parliamentary election. She asked the opposition leader Khaleda Zia for cooperation and to send the names of her party members to be included in it. The prime minister also said the election shall be held within 90 days from October 25 of this year.

The PM's desire is commendable; as all-party government means national government, which is formed for national unity to pass certain critical junctures in the history of a nation. The situation in our country is indeed critical, when its people are almost 50-50 divided on Awami League versus BNP party lines; however, there is a very large number of people who are neutral.

The PM wants the government to be formed by Members of the Parliament (MP) only! Can those MPs give any fair output? The present day MPs are the product and beneficiaries of an election system which is highly expensive and fraudulent, and only accessible to black money holders. So, they may not give us any fair output or change the culture of our election system.

Opposition leader Khaleda Zia, in reply, proposed formation of an interim government comprised of the advisers of 2nd and 3rd term caretaker governments, to be ensured of their neutrality. Her proposal is meaningless, as nobody's neutrality can be taken for granted.

The constitution has been changed fifteen times till now, but a large number of people want to go back to the 1972 constitution. The latest change by Sheikh Hasina abolished the caretaker system for an interim government during election; now she wants an all-party national government. BNP opposes it, mainly because Hasina wants to head that government.

The pertinent issues for a national government are: can this type of government act neutrally?

How can this type of government give us free, fair and black money free election? Can this type of government create a level playing ground for all the parties? Can this type of government empower the Election Commission to conduct the election on its own? I have a formula; but this must be with certain terms of reference to adhere to, and certain terms of reference to follow afterwards. The formula is:

Formation of the National Government:

1. Twenty members in total shall form the national government. Parties shall nominate their representatives in proportion to the percentage of votes they obtained in the last election, out of the total votes;

2. The other members of the government shall be from the professionals and eminent citizens of the country;

3. The parliament must be dissolved before election process starts;

4. Members of the national government shall not be candidates in the election;

5. The national government shall work till formation of the parliament and appointment of the new prime minister.

Conducting the Parliament election:

1. During the period of national government, the functionaries of the establishment, home and local government departments at district and upazilla levels shall be placed under the Election Commission;

2. All the parties shall be allowed to take part in the election after getting registered, with some conditions and after paying certain fees;

3. Independent candidates shall not be asked to obtain 1% votes beforehand;

4. The Election Commission only shall bear all the election expenses;

5. The candidates shall deposit security money and electioneering money (not more than Tk.5 lakhs) to the Election Commission;

6. Every candidate shall get equal exposure and opportunities during campaigning.

Functioning of the Parliament:

1. The members of the parliament shall be free to vote on bills except for the case of no-confidence in the government;

2. Parties shall not be allowed to amend the constitution unless they obtain mandate from the people through their election manifesto;

3. Provision for referendum, initiative and recall should be there in the constitution.

Since independence, we have not had any election for 'Constituent Assembly,' which should be the sole authority to write a constitution. If any 'Legislative Assembly' tries to amend the constitution, the Supreme Court will give its opinion on whether those amendments are in accordance with the original constitution written by the 'Constituent Assembly'.

The 1970 election delivered a 'Constituent Assembly' to write a constitution under Pakistan's framework, and a 'Legislative Assembly' for its eastern wing. But after independence, members of those two assemblies were assigned to write the constitution of Bangladesh. Since that time in our history, parties participating in the National Assembly elections formed 'Legislative Assembly' through their candidates to enact laws under Bangladesh framework. But they amended the constitution in ways which were never mentioned in their election manifesto, or they were not mandated to by the people for those purposes.

This time, political parties, through their manifestos, shall ask people to elect both the 'Constituent Assembly' and 'Legislative Assembly' in one go. These members, after obtaining mandate through their election manifesto, shall amend or change the constitution as per people's desire; and subsequently, they shall enact other laws during their tenure. Only this way can we achieve unity; though we have a lot of differences amongst ourselves.

The writer is Chairman, Deshpremik Jonogoner Mancha. Email: minamul@gmail.com

By THOMAS JOSEPH

ACROSS

1 Memory problems

5 Tolerate

9 "John Brown's Body" poet

10 Sophia of "Two Women"

12 Poet

13 Breton

14 Cartoon genre

15 Pacing gizmos

16 Shop tool

17 Juan Perón's wife

18 Eyes, slangily

20 Spears

22 Black as night

23 Up to

25 Pert talk

28 Temporally transferred

32 Finders, they say

34 Prefix

35 Co. abbr.

36 "Golly!"

38 Gettysburg general

40 TV's

41 Wild fear

42 Attempts

DOWN

1 Red Cross headquarters

2 Like

3 Llamas

4 Crime

5 Doer, to

6 Cops

7 Increase, as an

8 Incline

9 World-weary

10 Jun

11 Time

12 Up

13 Comment

14 Tower site

15 Be frugal

16 Full of

17 Info

18 Make good as new

19 Pharmacy unit

20 Cress-cent's tip

21 News-paper ads

22 Game

23 Be frugal

24 Virgin hero

25 Trig function

26 Infant outfit

27 Eagles' homes

28 Snoots

29 Toss out

30 Tiny opening

31 Game cube

Yesterday's answer

1 L

2 A

3 I

4 N

5 D

6 S

7 P

8 T

9 R

10 O

11 U

12 E

13 C

14 M

15 G

16 Z

17 Y

18 R

19 A

20 P

21 S

22 F

23 U

24 P

25 V

26 Q

27 K

28 L

29 Q

30 Y

31 N

32 P

33 Z

34 G

35 P

36 E

37 W

38 Z

39 Y

40 P

41 F

42 U

43 P

44 Y

45 R

46 L

47 M

48 D

49 Z

50 N

51 D

52 M

53 P

54 E

55 W

56 T

57 D

58 Z

59 L

60 Q

61 Y

62 D

63 F

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65 R

66 S

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68 P

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70 V

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96 T

97 R

98 S

99 T

100 P

AXYDLBAAXR
is LONGFELLOW

One letter stands for another. In this sample, A is used for the three L's, X for the two O's etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

10-14 CRYPTOQUOTE

Y F C Y R V D N J L Q K P Z P V D A P Z

Q Y N P, Y K L A P M D S F V Q K L Q

P A P Z G P E W P Z Y P F U P Y R L

M D Z N D M P E W T D Z L Q Y D F.

— P P T L V L N R

Previousday's Cryptoquote:
EXPECT THE BEST.
PREPARE FOR THE WORST.
CAPITALISE ON WHAT COMES.

- GIG ZIGLAR

BEETLE BAILEY

by Mort Walker

3-27

ZERO, RAKE UP ALL THOSE LEAVES SO WE CAN TAKE THEM TO THE DUMP

OKAY, SARGE

WHERE IS MY JEEP?

FILLED WITH THE LEAVES!

3-27

HENRY

by Don Trachte

3-27

TAKE THIS DEPOSIT TO THE BANK, AND THEN DELIVER THE SIGN TO THE ZOO, HENRY!

BOY WANTED

PLEASE DO NOT FEED THE ANIMALS

QUOTABLE
Quotes

"Never believe that a few caring people can't change the world. For, indeed, that's all who ever have."

Margaret Mead