

China Gears Up Again for Liberalisation

by Alan Chalkley

China's eighth Five-Year Plan comes into operation in the first few weeks of 1991. A real growth rate of 5 per cent a year is the target — not a very high aim for what could be a resurgent economy.

The phrase "Five-Year Plan" will remind many people of the old, and now discredited, state programme of Russia, India and a handful of other countries round the world.

But though the phrase remains, the philosophy is different. Rather than bringing all the main activities under government control, China is now privatising as much of the giant economy as it can, sector by sector, province by province.

minimal disturbance, then what would be the result.

It would be a "mixed economy" or, at most, what the French call "indicative planning." So China would look remarkably like the United Kingdom or France.

In fact, there is no perfectly free-market country anywhere on the globe. All have a strong government control on some sectors. Even in free-market Hong Kong, the government runs so much of the housing that 48 per cent of the

economy is a wrenching process — as we can see from all the disturbances in Eastern Europe.

Indeed, China has been relatively free from serious upsets during its reform period. The agricultural changes took place peacefully, but then those changes caused a clash over food supplies in the cities.

The urban people wanted to keep cheap food, while the rural people wanted a better life with more spending power.

of trade credit.

The momentum of the reforms, freeing the activities of the Chinese people (and giving them more responsibilities), is a strong current underlying the political life. True, there are still "hardliners" who resist the new policies, but we hear less and less from them.

"There is no way out for the Chinese economy without reform and the open-door policy," says Qiao Shi, senior Politburo member for security matters and law.

"(We must) lift the curbs on prices, so that enterprises can compete on an equal basis," says Xue Muqiao, head of a State Council research centre. "The rule is that the fittest should survive."

These were recent official pronouncements from highly-placed technocrats. There are others, perhaps more colourful, pointers to China's future:

- Shanghai is building a 35-hectare new industrial city on the east bank of the Huangpo River, opposite the famous Bund, to lure local and foreign capital.
- The 1990 grain crop was a record — the second in a row — and total foreign trade rose so fast that China is estimated to enjoy a US\$10 billion surplus.
- Avon, the big US-based cosmetics company, now has 4,000 door-to-door saleswomen in the Canton area, testing products and sales methods. If you think lipstick is a trivial product, well, don't say so in the hearing of half the world's population.

-DEPTHNEWS ASIA

There are still hardliners' but they are heard less and less

The freeing of much of the farming in China has already been done, with the abolition of the communes. The result is a free peasantry (which, by the way, was the original plan of the Communists in the early 1900s).

Under the Plan, private enterprise is to be organised in the services and manufacturing activities gradually. Private housing will follow. Investment systems like stock exchanges are also aimed at, but development is, and will continue to be, cautious.

The government will still control some of the economic levers, especially those associated with money, finance and foreign trading, the rate of interest, most of the utilities, and some measures to guide the exchange rate for the currency, if possible.

If all this were to be accomplished with

people live in state apartments at subsidised rents. Most of the banks in all of Europe are state-owned, and so are nearly all the schools and hospitals.

What has been discovered over the last 70 years is that if a government controls more than a certain percentage of a country's activities—measured in numbers of employees, for example—then those activities become arthritic and decay, losing money in ever increasing amounts and wasting assets, materials and staff.

The process of reforms in China is now called "deepening" rather than "widening," a word used earlier. The change of verb implies a slowing-down of the policy. But this is just as well, experienced analysts say. The move from a state-controlled economy to a freer

But the urban people failed to produce the manufactured goods to satisfy the new rural customers!

Result: a steep inflation in 1988, which went as high as 30 per cent a year in some cities. Strong clamps on credit, investment and imports were imposed and these worked. The current inflation rate is very low, and some of the stiffer price controls on such things as sugar, clothing, fuels and salt were recently raised.

The currency has been devalued twice in the last year or so, by careful percentages, so that the official rate does not get badly out of line with blackmarket rates.

China has a surplus on its foreign trade, by the way, thanks to a judicious rationing

Pledges from BNP

In Bangladesh where political parties are essentially personality based, an election manifesto as such carries little importance, certainly for the majority of the electorate. It is unfortunate but hardly surprising. It is unfortunate because herein lies one reason why political discussions, even during an election campaign, are rarely issue-oriented. True, as we see in the election manifesto of the Bangladesh Nationalist Party (BNP) just released, several pressing issues facing the country are discussed and crucial problems and their possible solutions are identified. But all this is done somewhat perfunctorily, often in sweeping generalisations, leaving one in doubt as to how much work by the party's experts has gone into the preparation of the document.

There is little doubt that political parties have had to face a somewhat unusual situation in their preparation for the forthcoming parliamentary election. The main problem has been the lack of time, which made it necessary for the parties to race through the nomination process. One assumes that the same problem hampered the preparation of the manifestoes of the two major parties, BNP and the Awami League. We have the BNP programme before us; the AL one is due to be released within a day or two.

The BNP manifesto is marked by two trends, one open and pronounced and the other less open and implied. The first trend underscores the party's commitment to revive the "golden era", the rule of the late president Ziaur Rahman, if it is returned to power. Here, any attempt by a new BNP-led government to change the 19-point socio-economic agenda of the late president would be resisted by the top leadership of the party. However, an exception will be made in the case of the Special Powers Act and other so-called black laws which Begum Khaleda Zia has promised to repeal, if her platform is voted power. This pledge is clearly designed to put the AL on the defensive, since Sheikh Hasina's references to the subject, during a recent interview to this paper have been somewhat in defence of these security acts.

In the other but implied commitment, the BNP has virtually assured the electorate — people at home and friends abroad — that if voted to power, BNP would maintain the policies pursued by the ousted regime of Hussein Mohammad Ershad in a number of areas, such as, the foreign policy, support for the private sector and encouragement to foreign capital. Begum Zia would of course argue that the real architect of the country's policies in these areas was her husband, while Sheikh Hasina would give credit for formulating these policies to none other than her father. This means that no matter which party comes to power, there will be a broad continuity of policies. That's good for the country.

Unfortunately, what doesn't seem so good for the country is the package of promises made by the BNP mainly for the rural population, which may well be repeated by AL. In one such promise, BNP, if voted to power, has offered to write off all agricultural loan claims of up to five thousand taka, together with an exemption of interest on loans of up to ten thousand taka. Begum Zia has certainly made a highly popular offer, one that will be lustily greeted by the rural electorate. But is it a realistic programme? According to a special report published in this paper on Monday, the country will lose as much as Taka 1,200 crore if this particular commitment is put into effect. A staggering sum that a country like Bangladesh cannot afford to lose. What is the alternative that has eluded the economic experts of BNP? In our view, the next government, no matter which party leads it, should launch new innovative income-generating projects for the rural population instead of offering it charity. Again, if an administration writes off one kind of loan, this time for agriculturists, what will it do when a section of industrial labour asks for the same charity? Finally, no government should be trapped by a promise that the party made during the election. It loses all its credibility when it is unable to honour the promise for reasons it should have known earlier.

Stop This Harassment

Although the authorities and even the press have generally played down certain recent acts of harassment committed by a section of local people against some western residents of Dhaka, there is no doubt at all that a climate of uncertainty and fear prevails among western communities living amongst us. There are also apprehensions that some Iraq-backed international terrorists may be heading for Bangladesh, with the objective of staging some actions here. It is said that targets of these attacks will obviously be westerners and their properties.

Under these circumstances, the best that the local authorities can do is to tighten the security at the airport as well as at other entry points, by rail, road and sea, along our borders and to raise the level of armed protection for all diplomatic missions and their residences. Similar protection should be set up and strengthened for western and Japanese commercial establishments and, indeed, for UN offices.

In setting up our defence against possible terrorist attacks, we work very much in the dark, despite western intelligence reports which are made available to our security agencies. This is not the case when it comes to dealing with local agitators who are out to harass western residents here, through demonstrations, physical attacks on individuals or even insults and abuses. Here, the offenders must be firmly dealt with by law-enforcing agencies.

We recognise that a section of our public here supports Iraq in the present Gulf war. It is within its right to express its sentiments through the press and through peaceful processions and demonstrations, if such activities are permitted by the authorities. In supporting Iraq's position — or rather Baghdad's invasion and annexation of Kuwait — the followers of President Saddam Hussein can direct their anger against the entire international community, the United Nations and, of course, against such Muslim countries as Pakistan, Egypt, Syria and Bangladesh which have committed their troops on the side of the multinational force. In this context, it makes no sense to single out westerners here as the offenders or as targets in the pro-Saddam campaign.

Bangladesh has been always known as a friendly country, hospitable to all foreign nationals, regardless of their race, colour and religion. This relationship between Bangladesh and the outside world was built during our liberation war and sustained through nearly two decades of independence. We should value this relationship as much as we value our own commitments to the international community. Bangladesh cannot let a handful of thoughtless people here spoil this relationship or tarnish the country's image, even to the slightest degree.

IN Bangladesh as elsewhere, electricity can be considered as the most convenient form of energy for wide-ranging and widespread utilisation.

As mentioned earlier, its share in commercial energy consumption is growing, especially as the transmission and distribution lines are being extended all over the country. At the time of independence, the total installed capacity was as low as 450 MW. In June 1990, it has grown to about 2000 MW, with per capita generation nearing 70 units. Unfortunately, the present system loss, more due to unauthorised use of electricity than technical factors, is over 30%. Demand for electricity in the village is now rising fast with increased rural electrification and it is estimated that by the end of the century, the electricity generation capacity and peak demand will rise above 5000 MW and per capita generation will near 200 units. The electricity consumption will then be equal to that of India and Pakistan as in 1986. Even to reach this modest growth, the amount of gas required will be doubled, 15 percent of generation will have to come from coal and other sources, while more than 30 percent fuel has to be imported. This assumes that there will be no addition to the present hydroelectric power generation of 1000 GWh.

Serious consideration should, therefore, be given to increase the indigenous base for power generation and improve the efficiency for conversion of fuel to electricity and plan the mix of fuel to be imported optimally for energy in general and electricity in particular.

Hydro-electricity

At present, 230 MW of electricity is produced from kaptai hydro-electric project. By raising the dam height, the capacity may be increased to about 330 MW. Reservoir sites at Sangu and Matamuhri could generate another 300 GWh, but the technical feasibility has not yet been established and this will be insignificant as compared to the total need, especially considering the total

Intensive Research Essential for Energy Planning

by Dr Anwar Hossain
Special to the Star

This is the second and concluding part of the article on energy options for Bangladesh

cost and other environmental consequences.

The scenario will, however, be totally changed, if electricity can be generated through construction of barrages over the Ganges and Brahmaputra. There is no reason why this should not be pursued as a regional programme both for water resources management and electricity production, on the lines of Mekong Delta Basin Project.

Nuclear Power

Apart from traces of thorium in Cox's Bazar beach-sand areas and some uranium in Sylhet (the exploration has been abandoned mid-way), no significant deposit of nuclear fuel, for production of energy

by fission process, has been found. Possible deposit in northern districts near the coal mines cannot be excluded, but exploration has not yet been started and uranium exploration and discovery takes a long time. Deposits are, however, not expected to be large as compared to world uranium and thorium reserves. Generation of electricity from nuclear power station can only be considered as part of electricity generation from fuel that has to be imported.

Apart from high capital cost, there are the problems of long term disposal of radioactive waste and safety issues. The accident at Chernobyl has dampened the interest for nuclear power production.

The confidence is now being reestablished and Bangladesh should explore the possibility of nuclear power generation, especially in the Western region of the country.

Renewable sources of energy is that which regenerates itself after use. It generally appears in a widely diffused and dilute form and production of such energy requires large land areas, which will compete heavily with other forms of land use for a densely populated country like Bangladesh.

Traditional fuel may be termed as renewable source of energy. Its limitation have been described earlier. In recaptitation, agricultural waste

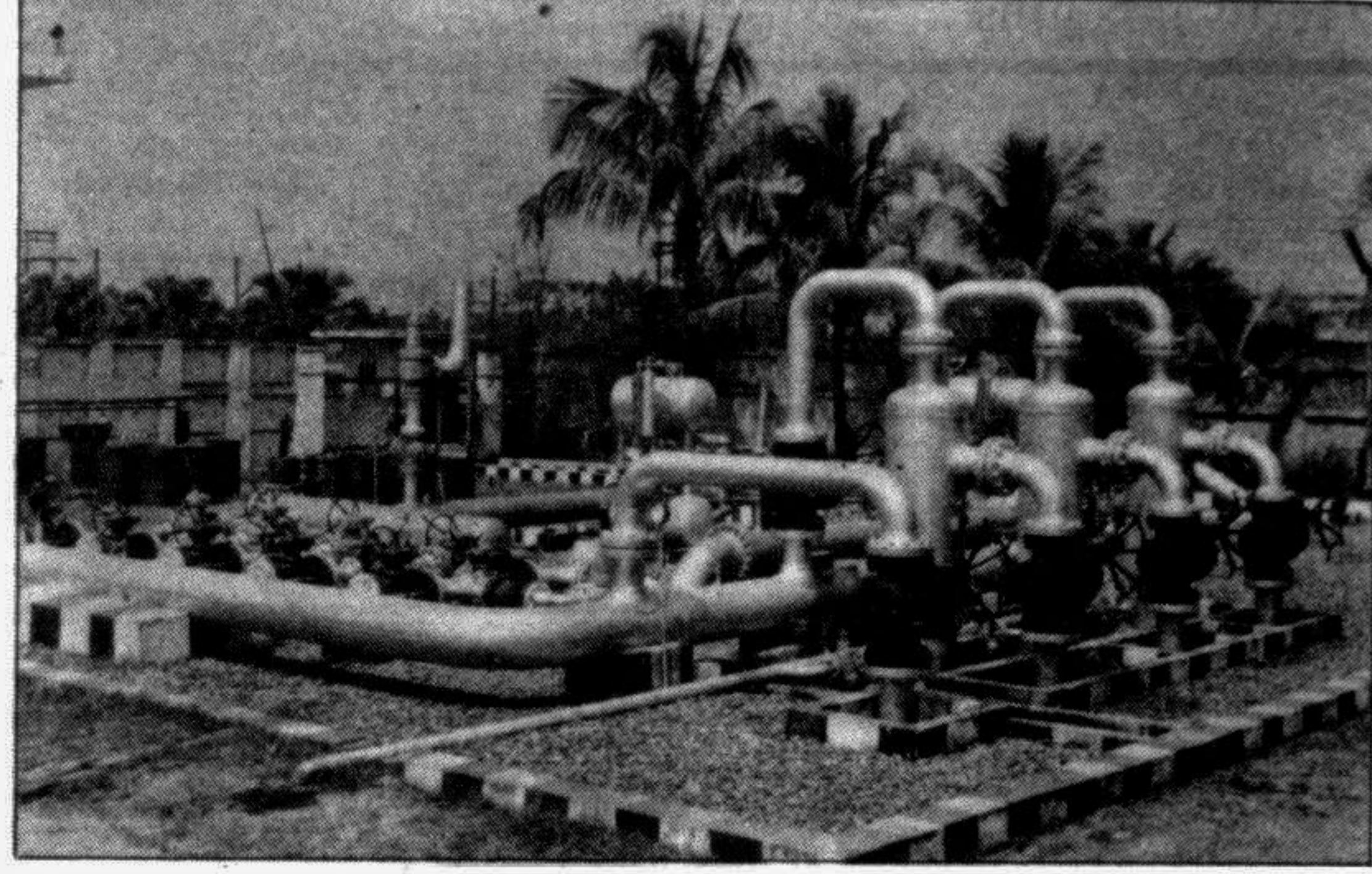
could be burnt for production, of heat (and by another conversation, electricity too) or else be action of high temperatures and chemical agents. Biomass techniques can achieve two goals simultaneously disposal of waste products and production of energy.

As for mini-hydro and geothermal power, there is hardly any scope for it in Bangladesh.

Wind and tidal energy have made some progress in recent years. As for wind, the average wind speed in Bangladesh is less than 10km/hr, which is less than the critical speed required for economic construction of windmills. Intermittent use in isolated areas could be tried but this will not have any impact in meeting the energy needs. One good use, however, of wind energy could be made by powering the sails of numerous country boats that carry a major load of inland water transport cargoes. Efficiency of such sails could be improved by better design. Exploration of tidal energy is still in the experimental stage and at the moment, quite expensive.

It is in the field of solar energy that new and renewable energy could make an impact in Bangladesh. Crop drying is quite common and with improvement in solar energy collection by thermodynamic process, the use can be extended to better fishdrying, solar cooking and even room air-conditioning. The major use of solar energy however, is in its photovoltaic conversion to electricity through solar cells.

The solar energy obtained in Bangladesh is 5-8 Kwh per



City gas station, Demra, Dhaka.

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Don't kill birds

Sir, I feel my ethical obligation to subscribe a few words in favour of the guest-birds and wild-birds. Often we deal with them rather cruelly. Some shot them to cater delicious dishes while others, catch them for sale. But this should not be done for any reason. Birds are the beauty of nature and they are the part of our ecosystem. It's our moral duty to protect them.

In this regard, I appreciate a BTV slogan which preach — "Do not kill or catch the migratory and wild birds, rather arrest them in your camera".

M. Zahidul Haque
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To ensure free, fair polls

Sir, The measures announced to ensure a free and peaceful election are praiseworthy. None can challenge the neutrality of the interim government. With only 31 days ahead, different political alliances and parties have started campaigning with respective poll symbols and manifestoes. This is a chance to exercise one's right of franchise without intimidation.

The days preceding the election are of utmost significance. Atmosphere in city streets has warmed up with numerous slogans and colourful placards. Enthusiasts at Tea stalls are raising tempest of politics. This is the charm of democracy. Here, people enjoy the freedom to choose a candi-

date absolutely on his free will. So, ours is no exception.

This year's election will be different in many respects from earlier ones. Previously, voters were less inclined to go to polling centers for fear of muscle-men. Apart from government initiative, mass awareness has to be created to free the booths of arm hooliganism. Conscious citizens should come up and strengthen the hands of law enforcing agencies during election. Our students can set up another glorious example of creating a congenial election atmosphere.

Asit, Dhanmandi, Dhaka

Bangladesh Grand Master

Sir, Bangladesh has been decorated with the first Grand Master in the Indian Subcontinent. At a time when USSR has been dominating the coolest battle in the sports arena for about two decades, such a recognition signifies the honour for an LDC as prestigious as landing on the Moon!

Godriche trophy is more than a morale-booster for the country's Chessmen and must enrich the national planning in upgrading the country's Chess standard in the times ahead.

How well today's Chess Masters of the country perform at the World level tomorrow will greatly influence the direction of the moves of the home rookies, day after; and to climb higher up the ranks of the Chess Kingdom faster will need multi-tier strategies from the Chess through Checkmate.

M. Rahman
Zila School Road
Mymensingh.

Hijacking

Sir, Though hijacking all over the world generally means the abduction of a plane with its passengers, in Bangladesh it has come to mean snatching of money, jewellery watches, cars and even persons by miscreants.

For some years this has become so much common that people have stopped

taking notice of incidents. But this has also stopped women from wearing jewellery.

Passengers who have to catch an early train or launch or travellers who arrive late at night on most occasions turn victims of hijacking. Sometimes even the clothes they are wearing are taken away by these miscreants.

Though there are many theories as to who these miscreants are, but few have been apprehended. Some say that these are the young drug addicts, others say that they are the frustrated unemployed youths.

But whoever they are, professional or amateur, they have made the roads of this country very unsafe. Maintenance of law is not only the duty of law enforcing agencies but also a responsibility of the citizens of the country. I think it is time we ourselves should give some thought to this matter and find a solution.

Rashmina Arfeen
Chittagong.

WHAT OTHERS SAY

After Saddam is Dealt With

When Saddam Hussein has been dealt with, Egypt and Syria will call in the chips. Israel must know that it will never have its 1948 borders affirmed unless it retreats to those borders. Americans should expect that many nations will want the United States to link its goodwill to progress on human rights as firmly in Jerusalem as it does in Moscow.

The PLO will surely never get another penny from Saudi Arabia or other Gulf paymasters. Yasser Arafat has backed the wrong side; he may not survive.

As the danger from him and Saddam evaporates, so, too, should Israel's intransigence. It has made peace with Egypt. The Gulf states would be well disposed to compromise. They would start by recognizing Israel. Even peace with Syria would not be impossible in a new postwar climate of concession. There will be, briefly, a window of opportunity to forge a lasting peace. If it is not seized, Israel can be sure the Intifada will soon spawn a new PLO.

Aslawaek (Hong Kong).