

Need for an Energy Policy

Every time the world is hit by an oil crisis--there is a threatened one now due to the Gulf conflict--there are urgent talks among oil-scarce industrialised nations about developing alternative sources of energy. In some cases, ambitious plans are drawn up and large funds set aside to step up research and development in fields ranging from nuclear power to solar energy.

In such a situation, most developing nations look at the scenario somewhat helplessly. As it happened during the oil crisis in the seventies, most Third World countries are then left with no choice but to find extra money, usually from their development budget, to pay for the increased cost of fuel. At that stage, most of these countries have no additional funds to spare for their R and D in energy.

This is the kind of situation faced by Bangladesh during the oil crisis in the seventies. We may face another crisis if the supply of oil is disrupted by a prolonged Gulf conflict. What can we do then?

Here, a major problem which has added to our helplessness is our lack of understanding of our options in the field of energy.

In short, one of the things which will be inherited by our elected government that takes office after the parliamentary polls is an absence of an energy policy. The whole field of development and use of energy in Bangladesh is littered with ad hoc decisions, wasteful expenditures and disjointed planning.

In a two-part series, just published by this paper, Dr Anwar Hossain, an internationally-known Bangladeshi scientist, has focussed on the complexities surrounding our energy scene, demolished a few popular myths, identified several problems and offered some answers. For one thing, it has been made clear that despite the abundance of natural gas, the country's energy base is indeed extremely narrow. There is, therefore, an urgent need for the country to expand the scope of its energy development which should be faster than the projected economic growth.

Dr Hossain has looked at the scenario carefully, but he has refrained from producing a blueprint for the development of the country's energy sector. He has identified various options but has resisted the temptation of throwing his weight behind any particular answer. This is perfectly understandable. What is important is to undertake research and development in the energy field in order to sort out country's various options and appropriate technology for the exploration of our untapped resources.

While such a research is stepped up, we should start thinking of formulating an energy policy of Bangladesh. This should certainly be one of the priorities of the elected government. But there are no reasons why some research studies on the subject cannot be undertaken now.

Bursting Cities, Dying Villages

Dhaka once was called a city of mosques. It is now a city of slums. Only a decade back slums were not so much of a problem in this metropolis. According to figures quoted in a report published by this journal on Wednesday two million people live in this city under anything but a roof. They, all twenty lakh of them--the population of the whole place only 25 years back--do not have a floor to mop and dust and windows to close and open. No water, no electricity, no toilets and not even room to stand erect--or even sit without crouching. Projections made by competent agencies say the figure will swell to five million in a matter of ten years. We are indeed living one of the grimmest tragedies in human history--and perhaps as a proof of that seem to have already lost the sensibility to be horrified by our surrounding reality.

To think of the human condition in such a milieu! These people had for thousands of years led a life of uncompromised dignity and of fiercely jealous privacy. What is left in them after they had been transported, culturally as well as physically over a thousand years' journey squeezed into months? And they are very soon going to constitute half of this city's populace.

Is it a challenge to urban life? How will the towns we have house the 40 million that are going to people them in about a decade's time? The problem is not primarily of their bursting. It lies elsewhere. The villages are dying.

The towns and cities can be worth living and loving only if the villages are even better liveable. The villages must again be enabled to generate wealth for the nation--at which job these still are slogging on--and enough earning for the individual and sustain themselves at levels envied by towns people.

That is no utopia. But that cannot be materialised with the weavers leaving their looms and peasants their ploughs--all because there are greedy people around. The growth of landlessness must forthwith be arrested by all means. And together with that growth of dependence on land must also be checked with generation of non-tilling job opportunities in the villages. A living village will need much more than mere tillers. Only living villages swarming with management and technical and other service people, and humming caselessly with activity, can save the towns from being infected with the seeds of death as is at present happening.

A big part of the rush to the towns is made up of the victims of river erosion. The fact is there is far more land coming out of the rivers than going into them. It will be a test of good government if those bereft of land because of erosion are settled on newly risen land and not allowed to embark on endless marches to towns. The lure of the town is a disease with the literate surplus earners and not the peasants and weavers. Pray do not anymore force these easily contented and supremely productive people to the inhumanity of city slums. And we shall all be saved then.

THE recent ouster of Bangladesh President Hossain Mohammad Ershad, following weeks of violent protests, comes on top of austerity measures put in force to cushion the shock of oil crisis. The economy--one of the poorest in the world--is once again reeling from man-made disaster, with no hope for immediate recovery in sight.

Bangladesh has been one of the countries hardest hit by the crisis in the Gulf. Tens of thousands of Bangladeshi workers in the Middle East provide the country with one-quarter of its annual foreign exchange earnings.

The country has also been hit more directly by the crisis. Bangladesh imports nearly two million tons of petroleum products and one million tons of crude oil every year. Most of these imports come from Saudi Arabia and the United Arab Emirates.

Bangladesh already has a foreign debt of over US\$ 9 billion, much of which goes to finance imports. Depending on how the Gulf crisis develops, Bangladesh's oil bill could go as high as twice its present US\$454 million a year. Already, the bill has soared by an anticipated US\$200 million.

While the Gulf crisis could have conceivably come at a worse time for Bangladesh, it is hard to imagine when this might have been. The country has spent the past year and a half trying to recover from the devastation wrought by the flooding of 1988, and faces continued political uncertainty.

Floods in the late summer of 1988 put nearly two-thirds of the country under water, killing at least 3,000 people and leaving another 50 million--nearly half of the 110-million population--homeless. Growth in fiscal 1988-89 was only 3%, substantially less than the original 5.1% estimate. In 1989-90, the figure was even more disappointing: a growth rate of 2%, down from an original target of 6.1%.

On top of economic devastation came political unrest,

which ended in the resignation of President Ershad in early December.

Meanwhile, the country is encountering severe problems trying to raise money locally, and is engaged in a desperate effort to attract foreign investors.

Ready made garments	294	420	432
Jute products	287	293	291
Frozen foods			
(fish/shrimp/roasted legs)	128	135	162
Leather and leather products	128	143	134
Raw jute	9	7	93
Fertilizer	9	7	5
Tea	2	36	45

An estimated US\$ 6 billion in project aid from foreign lending institutions has been sitting idle for nearly a year because of the inability of the local authorities to raise their portion of the investment.

Previous to the international aid consortium's Paris meeting in March of 1989, preconditions for project aid to Bangladesh included a 20% mobilisation of local funds before the aid money could be used. Even with the requirement lowered to 13% at the Paris meeting, prospects for fulfillment are not good--in fiscal 1988-89, for example, local funding only reached 9% of donor money.

The World Bank attributes problems in raising local funds both to resource constraints and to the rise in spending in unproductive sectors.

Attempts to raise money on the Dhaka Stock Exchange

(DSE) have been plagued with problems as well. The DSE is still very small, and is growing slowly.

The DSE reopened in 1976, with a total of nine listed companies. By 1985, there were 69 companies, and by the end of 1989, 111 were listed. Now, there are 120 companies listed on the Exchange, with another 14 waiting for approval, and total market capitalisation is nearly US\$463.7 million.

Part of the recent growth can be attributed to the government's efforts at privatisation. Following World Bank recommendations, Bangladesh has privatised over 1,100 public sector enterprises since 1982. The government has also provided tax breaks for those companies who list themselves on the DSE.

	1986-87	1987-88	1988-89	growth during 1988-89
G.D.P.	11,163,125	11,492,812	11,738,437	2.09%
G.N.P.	17,129,000	18,491,000	18,615,000	
*Agriculture	5,565,000	5,601,250	5,777,187	(-10.43)
*Industry	1,081,875	1,124,687	1,185,525	(+5.42)
*Electricity & Gas	94,062	108,125	123,750	(+14.45)
*Construction	275,000	302,187	336,563	(+11.38)
*Others	4,147,187	4,356,875	4,510,938	(+13.54)

The country's banking sector is faring little better. Bangladesh is a highly liquid economy. Unfortunately, much of the cash ends up in purchases of gold, or hidden away under mattresses. Some attribute much of the problem to illiteracy but a great deal of it stems from a deep-seated dis-

trust of the banking system, and fear of political uncertainties.

In addition, the interest paid on deposits is barely enough to match inflation rates. Anyone who has enough money to warrant opening a bank account is more likely to put it into an appreciating asset such as land.

The government has a long way to go in harnessing the country's liquidity. The first step, of course, involves ensuring some degree of political stability. Another measure might be to follow Pakistan's lead in offering to overlook the crimes of tax evaders and bribe takers if they deposit their "black" money in a bank and pay a minimal tax on it.

More significant, however, are the problems endemic to the nationalised sector of the

those in the government's favoured jute sector.

These loans have done much to damage the credibility of the banking sector. Problem loans at Sonali Bank, for example--the largest in Bangladesh--were estimated to have been 69.17% of the bank's total advances for 1989. The second largest bank, Janata Bank, performed nearly as badly, with an estimated 63% of its loans deemed "questionable," according to a Bangladesh newspaper.

Year	Exports	Imports	Balance
1986-87	1,020	2,509	(-1,489)
1987	1,191	2,509	(-1,317)
1988-90	1,275	3,200	(-1,925)

Private-sector banks are performing slightly better, although they too have difficulty in drawing money from hidden quarters. One exception is the recently-established Grameen Bank (1983), which specialises in providing loans for the country's landless poor.

The bank has a total paid-up capital of only 42.10 million taka, making it the smallest of Bangladesh's banks, and in 1987 had 638.84 million taka out in loans against 221.8 million taka in deposits. Nevertheless, the bank claims that 67% of loans are recovered after one year, and 99% are recovered after two years.

While most of the bank's loans are very small--often as low as 2,000 taka (Tk\$560)--its performance is impressive

in light of that of the nationalised banks.

While the central Bangladesh Bank has plans to overhaul the banking sector, it remains to be seen how effective this effort will be, or to what extent it will be influenced by a change in government.

One alternative the Ershad regime had been pushing vigorously was that of foreign investment. The government had drawn up a highly attractive foreign investment law, and was busily promoting investment in Bangladesh around the globe.

One of the most attractive points for investors is the cost of labour. Wages in Bangladesh are one-quarter of those in the Philippines. In addition, the investment package formulated by government includes provisions for 100% foreign ownership, tax holidays of up to 12 years, and import duties as low as 2.5% for export-oriented industries. The government has also made efforts to reduce the amount of bureaucracy investors must go through in order to operate.

Although the most attractive incentives are for export-producing joint ventures, nearly 50% of all foreign invested companies produce solely for the local market. Most such companies are in the pharmaceuticals industry, while the most successful export industry is garment production. Ready-made garments from Bangladesh surged in value from US\$284 million in 1986-87 to US\$432 million in 1988-89--the strongest growth recorded for any export.

Clearly there is potential for development, even from within, as the Grameen Bank has demonstrated.

Unfortunately, any efforts to harness such economic potential are threatened by immense--often political--barriers. One can only hope the new government to be formed after the elections will fare better.

By arrangement with the Asian Finance Hong Kong.

A MIDST allegations of a "parallel government" being formed, most of the parties that contested in last May's elections have agreed on a new power transfer scenario.

These political barbers, including the National League for Democracy (NLD) that is still no nearer to power, had signed bonds that they would go along the military government's version of power transfer.

This is understandable as their existence was at stake. Officials of these parties said they were told they face arrest and deregistration if they opposed.

Allegations of a "parallel government" is the latest expose of the ruling State Law and Order Restoration Council (SLORC). It says militants within the NLD plan to form a parallel government based in the capital, in the ancient capital of Mandalay and in the jungles along the Thai-Burma border.

Some 49 NLD members, mostly elected representatives, were arrested late last year for their alleged involvement in the plot made in collaboration with insurgent groups, reported Maj. Gen. Khin Nyunt, SLORC First Secretary and also director of Defence Services Intelligence. Many more are reportedly involved and 11 are known to have gone underground.

The NLD won the landslide victory last May. But it has been criticised by the SLORC as the only party striving to create disturbances. Nyunt said the NLD planned to form a parallel government to pres-

Junta Gets its Way After Crackdown

by Min Thu

sure for an early power transfer.

Burma's leading political parties agreed last year that a new legislature must be convened by September. Power transfer would be made through a temporary Constitution and all political prisoners to be released, including NLD

Political parties were told they face arrest and deregistration if they oppose a new power transfer scenario

chairman Tin U and NLD secretary-general Aung San Su Kyi.

But the military SLORC had its own version--a national convention to lay down basic and fundamental principles for a new constitution to be drafted by the yet-to-be convened legislature. After a national referendum, it will be submitted for approval to the SLORC.

Senior leaders of the NLD stepped into the "slight opening" hinted at by a new constitution drafted by elected representatives with the majority party (the NLD) taking the lead. This, according to Khin Nyunt, started the rift between NLD executives and militant

members who were elected last May.

A rift is not surprising, since the SLORC wants a totally new state constitution adopted and acceptable to all the country's 135 national races. Power transfer would take a little longer.

According to Maj. Gen. Khin

groups. It also has the support of some ethnic minority armies fighting for autonomy or independence.

Describing the plot as a "despicable act," Nyunt also said the illegal Patriotic Democratic Front and the Committee for the Restoration of Democracy in Burma were also

attempting to form parallel governments to speed up power transfer to the NLD. The plot was uncovered following the arrest of opposition figures, raids and the crackdown on dissidents and militant monks in September and October last year.

He said seized papers revealed the convening of the elected legislature on its own to form a new government at a public place, an embassy premises or a monastery. A general strike will be organised while communications will be disrupted. Recognition of foreign governments will be sought.

Gen. Saw Maung, SLORC chairman, said recently he would not accept political parties forming governments that

embracing about 20 insurgent groups, the Democratic Alliance of Burma first announced its "National Coalition Government" last April. It decided to form a "provisional government" last November in a meeting at the Kayah National Union jungle headquarters at Marneplaw.

The alternative government is reportedly headed by Sein Win, first cousin of detained democracy campaigner Aung San Su Kyi. It has the backing of the Democratic Alliance of Burma which joins together most Burmese dissident

show a grudge against the military. He told these parties to drop the words protests and demands from their vocabulary and instead set their sights on the SLORC's power transfer scenario.

Meanwhile, ranking personalities of the NLD continue to remain restricted in their homes by the government, including former Gen. Tin U who has been serving a three-year term since December 1989.

The most likely leader of Burma if the NLD is allowed to assume power is also under house detention, Aung San Su Kyi is the charismatic daughter of Burma's independence architect, the late Gen. Aung San.

Now Gen. Saw Maung says Aung San Su Kyi could not become Burma's leader according to a law that in fact was made by her own father. The SLORC chairman said she could be released when she either went back to London or took up writing.

Gen. Saw Maung has deplored the splits and drifts that marked Burmese politics since independence. In a speech in the nearby town of Kunchangon, he praised Burma as the only country in the region with a 2,500-year-old history, religion and culture.

He said there were some foreigners who had sincerely urged Burma to preserve and uplift its heritage. Gen. Saw Maung said he wanted to do just that as Burma was quite different from others.

"The sole responsibility of the commander-in-chief, in short, is to prevent the country from falling back under servitude," he said. "It is good to go into darkness when there is light?"

DEPTHEWS ASIA.

WHAT OTHERS SAY

Credibility at Stake

Government accounts of how the war is going are beginning to encounter skepticism, and rightly so. Two of the most important claims about the war have proved wrong. Military officials have backed down from an earlier claim that they had achieved air superiority over all of Iraq; now they say they have local superiority wherever they need it, but most of Iraq's air force may remain intact. So too, early claims that Iraq's Scud missile launching capability was largely destroyed were replaced by the admission that the missiles were "nowhere near" elimination.

The Pentagon has nurtured disbelief by its relentless boasting about the historic dimensions of the air war without yet documenting its effectiveness. The allied air attack has been portrayed as the most intense in history. Officials keep reporting the thousands of missions flown, the huge tonnage of bombs dropped and an amazing 80 percent success rate at releasing weapons onto targets. Official films have shown the precision of "smart" weapons. And television has played and replayed dramatic pictures of jets streaking into the sky and Patriot missiles exploding as they intercept incoming Scuds, turning war into boosterish highlights show.

All that leaves the impression that the Iraqi military machine is being pounded into helpless rubble. But almost nothing has been said about how effective the air attacks have been or what damage the bombs have caused. There is thus no way to judge the truthfulness of even the most basic claims.

Meanwhile, in the field in Saudi Arabia, the problem has not been unsupported claims but censorship that is unusually severe even for wartime. Local commanders have been arbitrary to the point of capriciousness. Timely publication of stories has been made nearly impossible. Reporters are forced to withhold information on the grounds that it might aid the Iraqis, only to see it released later by the military.

This secrecy is driven by recollections of Vietnam. Many in the military still believe that unfavourable news coverage made the war unpopular at home and ultimately lost it. This misrepresents history. Americans lost faith in that war because they gradually realized that the government had misled them. The Pentagon, under its current policy, risks a similar collapse in American sentiment--and at a very early stage of the war.

The New York Times

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.

Technical schools needed

Sir, In our country there is still a scarcity of technical schools. Since theoretical side of studies is given too much importance in our curriculum this kind of teaching is rather neglected.

Not all students have the aptitude of going for higher academic studies but they may do better in technical sides. Instead of making them third-rate students of higher studies wouldn't it be better to employ them elsewhere. Not everybody in the country has to be a university graduate, some can also be technically educated and earn their living just as well.

Many are acquiring technical skills from various workshops to meet employment requirements abroad. But in the absence of methodical training and dearth of perfection in knowledge, they have to go for or accept lower strata of jobs.

For such reasons more technical schools are required. Will the government give some thought to this matter?

Abdur Rahim Tejaan.

Lesson from the past

Sir, In the past, people were cheated in the name of politics. Nothing was done to change the lot of toiling masses. Ballot boxes

were reported to be full whereas voters, turn out was almost nil. Those who came to power were rather found busy to make their fortune at the cost of the nation as a whole. It is shameful to think for a

while, how could one dare to amass wealth overlooking the interests of teeming millions? If any political leader is found guilty of blackmailing people this time, the offence must be treated as unpardonable to act as a deterrent to others in future.

Whoever comes to power will require to take lessons from the past and be careful as well. Our students are ever vigilant. They will die, but will never compromise with autocrats or oppressors.

Our image as a sovereign nation has already been shattered to a great extent. It has to be restored. We depend on foreign aid for many things. This year's election will impress upon our donors,

They can come up with more aid if there is a democratic government. This should be realized by our political leaders and thinkers. And in a democratic country the aid thus received must be utilised in productive sectors.

Md. Atiqul Karim, Zigatala, Dhaka.

Journalists' role

Sir, I am taking this opportunity--though belated--to convey my heartfelt appreciation of the role of the journalists in the recent movement to oust the autocratic regime of Ershad.

For once the journalists spoke or made their disapproval known by not publishing the newspaper during those crucial days of the movement, they stood by the common people of Bangladesh. They showed once more that "pen is mightier than the sword".

and that silence can also convey a powerful message. I hope they keep up their good work and play a similar role in the forthcoming elections.

Tasmina Rahiman Sylhet

A discrimination

Sir, Our constitution guarantees equal rights and freedom to male and female in all spheres of life. It seems our care-taker government has not followed the spirit of the constitution.

Quite a number of Advisors have so far been appointed by the Acting President but to our dismay we find that not a single member of the fair sex has been taken as Advisor. I do not think there is so much dearth of highly competent women in our society.

We fervently hope a kind consideration of this matter in right earnest. Shahnaz Akhter Dhaka University