Eid Mubarak to All

After observing the Holy month of Ramzan, the Muslims of Bangladesh along with the Muslims of the world will celebrate the Eid-ul-Fitr, the festival of peace, brotherhood, equality, sacrifice and love for fellow human beings. This journal wishes the people of Bangladesh a very joyous Eid. Eid is an occasion when we forget our social and economic differences and embrace each other as the followers of the Prophet. It is an occasion when the best in each of us comes out. Or does it?

Do we really follow the teachings of the Holy Koran, which was revealed for the benefit of mankind? Do we really maintain the sense of sacrifice and austerity throughout the whole year which we observe during the month of Ramzan? Perhaps it is not appropriate to raise these questions on the festive occasion of Eid-ul-Fitr, but a frank answer to them is what the real teachings of the Holy month of Ramzan is all about.

As we pray to Almighty Allah on the Eid Day, as we express our gratitude to our beloved Prophet for showing us the right path and as we embrace our fellow brethren after the Eid-Namaz, we should reflect for a moment and ask, to what extent our lives really reflect the path shown by the Holy Koran and our Prophet.

The first question that needs to be asked is that of "Zakat" and "Fitra". Have we conscientiously met our obligations? Technically perhaps, yes. But the meaning of 'Zakat' is much more profound than doling out a mere percentage of what we possess. The idea is to remind us that our wealth is not totally ours and that the poor and the disadvantaged have a share in it — meaning that those of us who are fortunate to be wealthy have a social obligation to look into ways as to how the not-so-fortunate ones can be helped

This really is the crux of the message of the festival of Eid — be happy yourself and do your best to share that happiness with as many of our fellow human beings as possible.

The Holy month of Ramzan followed by Eid-ul-Fitr has some other very profound meanings for us as well. Discipline is a very important element of fasting. Through fasting, through refraining from all sorts of excesses we cultivate self-discipline. But the tragedy is that we give up all that discipline with the end of Ramzan. Can we not show a more deeper respect for the teachings of Koran by integrating the discipline of the month of Ramzan into our lives?

Take the question of corruption. We are aware that it is eating away at the vitals of our civic and political life. Our moral and ethical values are threatened by an all-pervasive corruption. And yet there are few things that are as strongly condemned in the teachings of our Prophet than corruption. The practice of "Haram" is so strongly denounced that even a partial adherence to the admonition will greatly reduce the widespread corruption that now exists in our society.

Finally Eid represents to us an occasion when we tear down all our social and economic barriers and become a part of a bigger entity declaring our solidarity with the poor and the destitute. In this regard this journal would like to put forward a suggestion that of the two Eids — Eid-ul-Fitr and Eid-ul-Azha — at least one of these festivals the urban rich should try to celebrate in their rural homes. This will contribute in the transfer of some economic activities to the villages and through their presence, the urban elite would get a direct experience of the plight of our rural poor. Such intermingling will help to reduce the information gap that now exists and lies at the

root of many wrong policies. Going into the inner meanings of the Holy month of Ramzan and the Eid-ul-Fitr is the duty of true devotees. It is our hope that on the occasion of the coming Eid, we will take its true meaning to heart.

A Happy New Year

We greet the whole of our people on the occasion of New Year's Day. We have two of this -but one of them one too many. The Gregoria calendar year and its first day and all its attendant sentiments help keep us in step with the rest of the world - particularly the developed North. The year that this day opens for us is something very close to our heart. This year - integrated way back by Akbar into the Islamic Hegira year — is our people's year of the nature — of bounteous nature — that has been evolved over aeons. And it was most fittingly called the 'Fasali Shon' — so beautifully tied with nature and the productive activity of man. Here, in this 'Bengali Shal' we have one of our very true roots very firmly drilled into the soil of our existence. Pahela Baishakh brings us all to the awareness of the depth and vastness of our undying existence through the ages.

Our first wish, therefore, on this day of days would be for our citizens to feel in their hearts the true import of this which lies in its being the special day signifying culture and heritage, and travail and productivity.

Before wishing any other thing we should do better to appreciate, as Tagore did, the placing of this in the dreary and often apocalyptic season of Baishakh. This parched up nature is all a preparation for all life and earth to rejuvenate. Before that can happen 'jeerna puratan' must be away and all that is 'mumurshu' — half-alive and halfdead—must be blown by the winds even as chaff. This must be read with concept of 'Rudra' violently cleansing the world of all evil to get at the full import of having our new year start on calamitous day pregnant however with promises of a true rejuvenation and winning ever new grounds.

We are already too many people on our little boat — and any moment it can start sinking, if it hasn't already done so. As an insurance against developing leaks the whole of our people need to be brought under literacy and education. We very much wish in the new year our people to march steadily towards a democratic polity headed by a stable and responsible government which will place high on its fare the job of reaching literacy to people — the only way to less death and longer life and slimmer population growth — and achieve by the year-end at least a ten per cent improvement on our present records.

That will be a great tribute to Pahela Baishakh the day of culture.

ISSUES AND PRIORITIES FOR THE NATION—III

Longer-term Planning is Needed for PROMINENT economist commented a

Special to The Daily Star

The strategies and programmes to be fruitful will have to be sustained over a period

of time. A consensus is needed because everyone must support the programme

couple of decades back that Bangladesh is an economic mistake. The difficult development problems of Bangladesh defy stereotyped solutions. So many people living in so small a place, with so little resources indeed present a formidable picture. The war of liberation brought death and destruction in a very impoverished country. in the first two years of 1970s, the economy suffered a decline of 20%. Since then the performance has been both uneven and unsatisfactory. Investment during the rest of the decade was a paltry 10.36% of GDP and in the decade of 1980s, it was a little better at 12.64% Population grew in the 1970s at an annual rate of 2.6% and in the 1980s at 2.5%. Output growth in the last eight years of

1970s was an annual rate of 4.9% and in the

decade of 1980s it has been only 3.77%. The

economy has depended very heavily on external

resources for nearly all its investment. In the 1980's Bangladesh introduced a number of open economy measures. Privatisation, market determination of prices and liberal trade policies marked this effort. But a sustained effort has been impedial quite often because of the nature of the regime. The interests of selfseeking power groups and the need to bribe and satisfy the comprador class that an illegitimate regime had to cater for stood in the way of the reforms. As a result, the fruits of the healthy reforms could not be realised in terms of accelerated growth in investment and output or availability of social services. The reasons for failed development can be listed as follows:

(1) Successive military rule and transfer of power from dictators through violence have never allowed political stability in the country. This does not inspire healthy economic activities and specially foreign direct investment. In fact despite good incentives investment has been very low in the country throughout (Even lower than the rate prevailing in the 1960's). Rent seeking and trading naturally have attracted all economic actors.

(2) An autocratic and illegitimate regime derives its support by bribing special groups. Current expenditure has spiralled and large scale expansion of the bureaucracy and the military has taken place thereby withdrawing resources from productive use or investment. Dictatorship also meant reckless public expenditure on luxuries.

(3) Unaccountable regime engendered high level corruption and capital transfer. This hurt the economy in various ways. It left the honest economic actors in the lurch. Conclusion of stinking deals invariably costtime and quality. Commission for brokes and kickbacks generally inflated the cost of projects without adding to the benefit stream. Delay in project implementation and low return on investment have been very common in the decade of 1980's.

(4) In programmes involving large masses of people as in universal primary education, family planning, health care, agricultural development and flood protection, social mobilisation and decentralised programme execution are sine qua non for success. An illegitimate and corrupt dictatorship, which is by nature centralised in operation, failed to handle any of these programmes with some degree of success because it could not undertake social mobilisation nor carry out effective devolution.

(5) Above all illegitimacy and corruption that characterised the regime destroyed the vitality of development administration. Development indeed is as much a result of investment as of commitment of economic actors. This very important element "commitment" was banished from Bangladesh under Ershad regime. As a result, implementation of all development activities were very adversely affected. Nepotism and militarisation also lowered the quality of development administration and exacerbated

T EW Zealand's trade uni-

I eir survival as the

recently-elected National Party

government moves to

introduce sweeping labour

The government's legisla-

tion has been angrily branded

by some trade unionists as a

"recipe for chaos and worker

But Labour Minister Bill

Birch, who introduce the leg-

islation, reforts: "It is not a

recipe for exploitation, but an

agenda for cooperation be-

tween employers and employ-

cal labour legislation to go be-

fore New Zealand's Parliament

this century, the Employment

Contracts Bill replaces trade

unions with "employee organi-

sations" with voluntary mem-

fore Parliament but the gov-

ernment has a huge majority

and its passage is assured. The

new labour law is expected to

Employees may belong to

take effect starting May 1.

The legislation is still be-

Described as the most radi-

market reforms.

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ons are fighting for th-

Economic Recovery by A. M. A. Muhith

inefficiency and ineffectiveness.

The economy is highly dependent on foreign aid because the level of current government expenditure is unsustainable and domestic saving has been moving between 0 and 5% of GDP. This aid flow is conditional to both policy commitments and also administrative management and financial reforms. All multilateral aid now has policy conditionality and many bilateral programmes are also tied to it. For example, in the agriculture sector conditionality covers subsidy on sale of irrigation equipment, role of BADC, price of fertilizers, organisation of extension system and performance in respect of agricultural credit (specially loan recovery) Energy sector conditionality is not only related to energy pricing but also covers system loss of power sector, retailing of electricity, organisation of gas companies and investment in power generation. In trade and industrial policy there is a comprehensive set of policy conditions relating to import liberalisation, tariff system, exchange rate adjustment, lending rates for capital, industrial sanctioning procedure, taxation rates, bonded warehouse facilities and

market forces is the gospel and it governs

utilisation and improvement of existing capacity will receive emphasis. There should also be a deliberate attempt to shrink government operation so that government functions only in regulatory and support services while private sector and local communities take up a great deal of activities specially in the economic field.

A study of the manifestos of the major parties indicate more of convergence of ideas on economic objectives and management than differences which are highlighted in public speeches by leaders and in the rhetoric of propaganda. In social service and provision of infrastructure in Bangladesh a large role for the government is universally envisaged. In production and trade government role is essentially regulatory.

So is the case with finance and insurance although the nationalised institutions are quite strong in this field. There is a great deal to do to streamline, simplify and simply recast regulations, and in real life the approach of the major political parties to deregulation is not very different. It is of utmost importance that a national consensus is reached on an economic and social plan for the country. The strategies and programmes to be fruitful will have to be sustained over a period of time. A consensus is

cation: This will require devolution of responsibility for primary education to local levels. decentralised management of schools, recasting of contents of primary education and social mobilisation at grassroots level.

ti) Drastic measures for population control: This will warrant social mobilisation, decentraitsed programme implementation and inte-

gration with primary health care programme: iii) A programme of flood control and irrigation. While the programme will be nationally coordinated from local level plans, its execution will be largely decentralised. The various elements of the programme will be building of embankments and roads, construction of drainage and irrigation channels, selective dredging of major river ways, social afforestation and clustering or setting up of large villages as human habitation centres.

iv) A special programme for expansion of acreage under high yielding variety of aman rice and also under winter crops like wheat, boro rice, oilseeds, pulses and cotton: This will call for research efforts, irrigation expansion, effective extension service, assured supply of inputs and a dynamic as well as expanded credit

programme. v) A programme for diversification of agriculture: Duck and poultry farming, pisciculture, afforestation and oilseeds and pulse production must be emphasised.

vi) Support to selected lines of industry: Agroprocessing and agricultural supplies industries need attention. Industries requiring high labour input like garments, electronics, good products, or consumer conveniences as well as export industries like fertilizers should be promoted.

vii) A vigorous export programme where necessary with cash subsidy for a predetermined but limited period of time: The growing nontraditional items like frozen food and garments should be expanded. Capacity should be developed in items like fabrics, electronics, fertilizers and fruits & vegetables. Manpower export covering all levels of skills should also be emphasised.

viii) One of the most difficult areas for consensus is reduction in current expenditure of the government: There are three major items of expenditure which have to be drastically cut down. There is large salary bill of the bureaucracy which can be reduced by trimming the size of public employment and limiting the functions of government. There is the huge security expenditure which must be reduced in a big way. The third item is the debt repayment bill and it has to be brought down by cutting consumption and avoiding non-concessional re-

ix) A determination to trim expensive and luxurious projects: To avoid over designing of projects, to impose credit discipline specially in industrial investment and crop financing and to control kickbacks and commissions from development projects. An open government, accountability in a democratic system and example of integrity at high levels will be of great help in this respect.

Immediately the budget for 1991-92 is to be prepared and 1990-91 budget is to be revised. The exercise should be carried out with a view to creating a climate for consensus. The reports of the Task Forces should be made public and they should be widely discussed. As soon as the budget exercise is over, preparation of consensus plans and strategies should be undertaken. The Assembly should be the final forum for adopting all plans be it the perspective plan or the Five-Year Plan or a public investment programme or the policy framework (technically called the PFP).

This is the Concluding Part of the three-part

In macro economic management freer play to

heart and soul, and change of government should not change the course of programme. policies relating to exchange rate, interest rate, needed because everyone must support the import liberalisation, export orientation and programme heart and soul, and change of govinvestment promotion. What it means is that there is very little scope for new policy initiatives or independent action. The scope for new initiatives is limited in the area of investment as well. Ongoing projects, mostly aided, cover nearly three years programme of the fourth five

year plan period. Any change in the course of the economy except in respect of economy and efficiency of expenditure and accountability of actions cannot be foreseen in the near future or in the short term.

to be meaningful call for a longer time horizon in Bangladesh. It is necessary to make a feasible projection of major economic parameters for the next twenty-five years and then set up a few targets such as for employment creation. poverty alleviation, urbanisation, food production, export promotion, population stabilisation, investment level, literacy and numeracy promotion and availability of social service. Within this over-all perspective medium term sectoral strategy, social service programme and investment plan should be drawn up. (In other words time bound economic plans should be formulated.) Budget should be an instrument for realising or executing such plans. Ideally the budget should deal with three aspects of the social and economic plans in an integrated manner. The cost of carrying out a service will provide the recurrent expenditure to be shown in the budget. The cost of maintenance of a service or facility will provide the second element of budget statement. And the third and final entry will be about investment for expanding both availability and quality of services or supplies. In such a scheme of things,

ernment should not change the course of the The interim government undertook a survey

of all economic sectors and set up twenty-nine task forces on diverse problems and issues. Except for the export sector, all important sectors of socio-economic life of the nation have been dealt with by the task forces. Their reports provide a statement on the current situation, discuss the various strategies and programmes under implementation or consideration and Economic development targets and strategy highlight the problems putting forward alternative options for their solution. These reports need be considered nationally in conjunction with the draft fourth Five-Year Plan. The wealth of materials available in these documents can be the starting point for consensus building.

The circumstances today are indeed rather propitious for a consensus. The party manifestos are not so different. The options are very limited. The overall democratic climate permits consideration for others. The economy is stagnant but not under unusual strains. The end of the Gulf war has removed the threats of energy crisis and reverse flow of wage earners. The agricultural outlook does not present a crisis. There are three fundamental problems where concerted action is a must. Employment creation is a major problem. Poverty alleviation is another major problem and it is integrally related to the other major problem. Finally, there is the problem of accelerating investment specially by mobilising domestic savings.

The elements of a national consensus can be

the following: i) A programme for universal primary edu-

Unions Berate 'Radical' Law

Derek Round writes from Wellington

employer or industry associations or negotiate on their own

From May it will no longer Work will be covered by a be compulsory to join a unionrange of employment contracts as it is now-and individual or which can be individual or collective contracts will have to be negotiated between em-

collective. Only annual holidays, public holidays, maternity leave and the NZ\$245 (US\$160) weekly minimum wage will be enshrined in law.

Almost everything else including meal breaks, penal rates, overtime and health and safety provisions will be up for negotiation.

Opportunities for strikes

and lockouts will be restricted and the role of the Labour Court limited. But both workers and employers will still be able to take

a case to court to decide if a contract has been breached. Prime Minister Jim Bolger says his government wants to give New Zealand an industrial relations system that will be more responsive to the needs

of modern industry. "It ought to be obvious that the old system of industrial relations_too centralised, too crude, too confrontational—is a key reason why the New Zealand economy has per-

It is the most radical labour legislation to go before New Zealand's Parliament this century

formed so badly," he said in a

Years of feather-bedding, overmanning resistance to new technology, poor work practices and union demarcation disputes had inflicted huge additional costs on New Zealand producers, he claimed. "The result is measured in lost market opportunities, lost production and

recent "State of the Nations"

speech.

lost jobs," Mr. Bolger said. For 17 years in a row New Zealand had traded at a loss with the rest of the world, with overseas debt almost doubling in the last six years and currently growing at NZ\$80 million (US\$52.8 million) a

"The hard truth is that we cannot go on borrowing the savings of other countries to fund one of the world's most generous welfare systems, and cover for the failings of our

poorly performing economy," Mr. Bolger said.

Labour Minister Birch argues that the rigidity of the New Zealand labour market is a fundamental cause of the country's slow growth, low wage levels and high rate of unemployment, currently approaching 9 per cent.

"A more flexible labour relations system is crucial to our economic development," Mr. Birch says.

But union leaders see the new labour legislation as simply a move to smash the power of the unions.

"What is really taking place is a full-blooded attempt to stack the odds in favour or the meaner employers," says Sue Piper, head of the big civil servants' union, the Public Service Association.

"The government is clearly on the side of our most back-

ward-looking employers who want to whittle away union strength so they can force down wages and conditions."

In support of this view union leaders point to a recent report of the Business Roundtable, an influential organisation representing some of the country's biggest employers, which says real wages must drop 3.9 per cent for unemployment to be elimi-

nated. The unemployed, currently numbering over 200,000 in a population of 3.4 million. should be able to "bid themselves into jobs by temporary wage reductions which make them attractive for employers to hire," the Business Roundable says.

The only basis for pay increases was shortage of labour in specific categories and locations. Productivity increases did not justify wage increases if labour was in abundance.

Council of Trade Unions president Ken Douglas says: This legislation spells the end of a New Zealand where you carn a fair wage no matter where you work, where those with more strength support those more vulnerabel."

rights, he says, adding: "It gives total powers to employers to impose what they see as appropriate to their particular workplace." Mr. Birch rejects claims the new laws could lead to the op-

The legislation is not about

individual choice or individual

eration of sweatshops in New Zealand as "fearmongering" and argues they will lead to higher wages in the long term. Workers are still protected by the statutory minimum wage of NZ\$245 a week, he says. Industrial law expert Dr.

Alexander Szakats says the individual freedom the new law purports to be advocating is an "admirable principle" but does not work in industrial rela-

Most workers have no individual power to bargain about pay and conditions," he says. "Take it or leave it, and join the ranks of the unemployed."

With the increase of employers' power, workers would need more protection and assistance and this might inclease union membership,

Dr. Szakats says. The new law does not prohibit unions and if they provided the required services they could increase member-

Depthnews Asia.

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.

Bureaucrats and professionals

Sir, I fully endorse the views expressed in the letter by Mr. Noazesh Ali of Banani, Dhaka published in you esteemed Daily on 21-3-91 under the heading "Bureaucrats and professionals". The bureaucrats are not

only having a good time

they are behaving as if they

are the masters and others

who are professional-ex-

perts are subordinates.

We have been told time and again that the officers of the Govt. Departments, Semi-Govt. organisations or tion, BCS (Information) As-Association, etc.? Have they

bargaining agents? follow one policy for all on

occasions overdoing things

any single issue.

Reazuddin Ahmed Bailey Road Dhaka.

The space and humanity

Sir, "Humanity will not stay on Earth forever, but autonomous bodies cannot will instead, in search of form any such "Association" light and space, at first as to act as their bargaining timidly penetrate beyond agent. But what are the ac- the atmosphere and then tivities being performed by conquer the whole of space the BCS (Admin) Associa- around the sun." So wrote the Russian scientist sociation, BCS (Accounts) Konstantin Tsiolkovsky, the founder of modern space not been found on several science, in the beginning of

or even acting more than be noted that he said "humanity" rather than It is time the Govt. should some particular nationality. such as the Russians, Americans, Germans or Japanese. In these words he both expressed his confidence in the future and made a prediction for posterity. It is only by pooling our efforts that we can break the chains of gravity and pave the way to distant worlds. Isn't this a dream worthy of man, worthy of humanity?

> The first steps towards this dream was made on April 12,1961, when Yuri Gagarin of the USSR made the first manned space flight as a trailblazer cosmonaut, and then in July 1975, when the Soviet

Soyuz-19 and the US Apollo the 20th century. It should spaceships rendezvoused and docked, thus forming a single orbital complex. Soviet cosmonauts and US astronauts Alexei Leonov, Valeri Kubasov, Thomas Stafford, Vance Brand and Donald Slayton moved from ship to ship to shake hands, symbolizing the cooperation of people of different countries in space and on Earth.

Since then, space exploration has advanced tremendously. Humanity can now translate into life very daring ideas not only in near-Earth space but in deep space as well. What seemed only a dream 30 years ago (on 12 April this year, the world celebrates the 30th anniversary of the First Manned Spaceflight) can become a reality at the turn of the 21st century.

The new political thinking that has in recent years become dominant in international relations has favourably affected space research. After so many years of alienation, the two leading powers are once again pooling their efforts in studying the Earth. This certainly is a welcome news for the humanity. particularly at a time when ecological contamination is threatening the very existence of life on this beautiful planet.

Nadia Tabassum. Monipuripara. Tejgaon, Dhaka.