Dhaka, Saturday, May 11, 1991

Sugar and Smuggling

Smuggling, whether cross-border or through ports of entry, always has a retarding influence on the economy of any developing country. In Bangladesh the sugar industry is one sector of the economy suffering from a two-pronged assault from smuggled as well as legally-imported foreign product.

An estimated 178,000 tons of locally-produced sugar is lying unsold at government godowns. while production this crushing season is likely to reach 280,000 tons, a surplus of 41,000 tons above government target. This will add to the stockpile, which will then waste away in due course causing a net loss of millions of Takas to the industry.

By any standard it is a grave situation that has to be rectified soon. But the remedy must also be within the realms of economic common sense. To begin with, instead of raising populist slogans, we have to ask ourselves why smuggling occurs in the first place. To put simply, sugar is smuggled into this country because a big demand for lowcost sugar exists which the sugar industry here cannot meet. This failure to meet demand has created a window of opportunity for smugglers. who are in a position to market their inferiorquality stuff at a significantly lower price than the superior quality locally-produced, or imported sugar (around Tk 20 per kg against Tk 25 per kg). And the consumers, particularly those in the lower or middle income groups, seem quite willing to sacrifice quality to make ends meet.

Putting an end to smuggling, under the circumstances, will only solve half the problem, if that. If the price of locally-produced sugar remains the same, then the consumer will be effectively asked to subsidise an inefficient industry. If subsidy has to be made, then the state, which owns all of the country's 16 sugar mills should do that to bring the market price down, and keep it there. But subsidies have never been an efficient way to manage the economy, since it is always the taxpayer who eventually ends up paying for somebody else's inefficiency. The most rational and effective way to deal with the situation will be to take a hard look at the industry itself, and take steps to make it competitive enough to beat importers and smugglers.

Sugar, like food, is a basic necessity, and as such we should look towards achieving self-sufficiency at a price the consumer can afford. There is no reason why state-owned industries, given proper incentives and managerial independence. can not become productive enough to meet demand, or efficient enough to be competitive.

But if the state bureaucracy is not upto the job. or if the existing situation in the industry makes success of reforms unfeasible, then the government has no choice but to carry out a detailed study with privatisation in view. The process of privatisation should be orderly, and assets sold to carefully-scrutinised and genuine investors. The industry is a lucrative one, as evidenced by the activity of the smugglers and the scramble for import, permits, so it should not be difficult to find buyers. But the government must insist on a good price, to ensure a fair return on public money spent on the industry over the years. At the same time, the government should extract legally-binding pledges from buyers to maintain income stability and job security for workers.

But public or private, until the industry itself puts its own house in order, and is able to produce enough sugar at an affordable price, smuggling will remain a fact of life.

Small Relief Initiatives

Dhaka at last is waking up to the realities of the apocalyptic April 29 elemental swoop and its aftermath in the coastal zone. And what a raucous waking up it is ! And anarchic too. One cannot hope to go anywhere without being accosted on the streets by young people soliciting money.

Street collecting is not an ideal way to gather money for relief work. It never stashes to heaps of cash. Small funds are raised, true, but at the expense of two things more valuable than the solicited ones' pockets. First, rather than inspiring the members of the public to a spirit of sacrifice. this way of pressurising people to pay makes them lose sympathy. Then, secondly, one cannot help giving in to an element of suspicion about the bonafides of all the groups. This suspicion vitiates an otherwise wonderful show of the sacrificing spirit.

Bangla Academy, a very unlikely agency for the job, has come up with a solution. They have offered their 'Bauto-mul Bedi' free for any group holding musical functions there and collecting voluntary donations from the audience. Moreover, in order to ensure success for the move, it opened an exhibition of photographs of the tragedy in the southern districts designed to attract a large audience for the musical functions.

In point of fact there is a widespread enthusiasm by now among all kinds of groups and associations to collect cash and material and go down to the islands. Nothing could be more gratifying. The size of the need down there and the government's limitations in mobilising relief workers, if not materials, make the enthusiasm doubly welcome.

Relief work is rather a specialised kind of activity having its own systems and dynamics. A sudden crowding by the uninitiated ones from the big towns may, for all one knows, create hosts of problems in the distressed areas. In spite of such risks, the relief journeys south are worth making for very many reasons. While we are confident that familiar and noted groups will conduct themselves responsibly, the others would no doubt take care not to make a nuisance of themselves. The local administration and those who have already set up sustained relief organisation in the affected areas would do well to welcome the small and isolated relief initiatives.

After all such disasters can be made into great concourses of the best of goodwill and fellow-feeling that will endure past the scars of the hit if only we seriously want to.

China Seeks New Road to Liberal Reform

by Larry Jagan

The promotion of two liberal economic reformers to the Chinese cabinet reflects the

fact that gradual reform is once more the order of the day in China. But the real

political issue is Beijing's control over the provinces, and it is this that will

HINA'S parliament held its annual session recenthy amid mounting spe culation that Premier Li Peng

might be about to lose his job. Li Peng told journalists he would not resign before his term expires in two years' time, but diplomatic sources in China believe it is only a matter of time before he relinquishes his post as prime minister.

In fact, the National People's Congress (NPC) probably heralded a succession to Li Peng when it appointed the mayor of Shanghai, Zhu Rongii. and the liberal economist Zou Jiahua, as vice premiers.

Xiaoping.

LI PENG

moving economic reforms.

As one Chinese source says.

These two are economic liberals, and observers believe that one is likely to replace Li Peng, perhaps as early as next

These appointments reflect the Chinese government's commitment to economic reform. The New China News Agency described the men as "pragmatic" — a sign that the authorities are keen to show that in economic matters China is not clinging to the doctrinaire socialist policies of central planning.

In his last three years as mayor of Shanghai, Zhu Rongji, 62, has overseen the city's continued economic prosperity. He has reduced the city's bureaucracy and attracted foreign investors, and he has just returned from a tour of Europe where he tried to raise funds for Shanghai's ambitious development plans.

Following suppression of the 1989 pro-democracy movement and the demise of former party leader Zhao Ziyang, who was guru of the economic reforms of the

THE Philippines appears

rsuing a programme designed

to alleviate the plight of

millions of impoverished

Known as Integrated Social

Forestry (ISF), the programme

has been adopted with varying

degrees of success by many

Third World nations to arrest

the unabated destruction of

Aside from the Philippines,

other Asian nations which have

Indonesia, Thailand, Nepal, Sri

Resources Secretary Fulgencio

Factoran Jr. himself provided

the impetus for its accelerated

implementation in the Phili-

ppines when he declared ISF

as his department's "flagship

His declaration is well-

taken. For the programme

added significance in the face

of pervasive poverty in the

BTV disaster

coverage

gramme on the devastation

inflicted by the recent cy-

clone was aired on televi-

sion on May 5. While the

photography left little

doubt about the magnitude

of the disaster and enor-

mous amount of work ur-

gently needed to get the

whole task of recovery go-

ing, the lack of a script

robbed the programme of

much of its value. Viewers

were left feeling very much

in the dark as to what re-

ally happened. There was

no mention of nameplaces

and as everywhere was cov-

ered with water, one could

not distinguish submerged

offshore islands from

places along the coastline.

Chittagong was mentioned

a few times but viewers had

no clue as to which places

or buildings were shown as

there was no commentary

at all. A lot of hard cash

must have been spent on

such a badly needed pro-

gramme but what a futile

waste! BTV must really do a

better job of informing the

public — especially at such

'Women on wheels'

based in Dhaka, I find The

Daily Star the best English

newspaper in town — from

the point of view of layout

to news coverage most of

the time to its feature sto-

ries, etc. In particular, the

daily feature, "Dhaka Day by

Day" is most illuminating. It

Sir, As an expatriate

Disappointed Viewer

crucial times.

Sir, An hour-long pro-

Latest estimates put the

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 communica-

tions must bear the writer's real name, signature and

programme for 1990."

countryside.

address.

Environment and Natural

started implementing ISF are

uplanders.

their forests.

Lanka and India.

to have taken the lead in

Asia and the Pacific in pu-

Eighties. Zhu Rongji has Zhu exemplifies Deng emerged as leading advocate Xiaoping's original strategy of open-door policies pioneered pragmatic economic reform by senior political leader Deng with the emphasis on looking

forward to the next decade. Zhu is sometimes called He is in the same mould as "China's Gorbachev". His ap-Deng's previous proteges, Hu pointment, if it happens, will Yaobang and Zhao Ziyang. Both give heart to economic liberals these reformers were diswho, since the violent suptrusted by hardliners in the pression of dissent at Tianaparty leadership, and were ulnmen Square, have been timately dismissed. dominated by conservatives vigorously opposed to fast

There is no guarantee that Zhu will fare any better. His future depends on the old leadership relinquishing power-or

determine the outcome of the new moves toward reform.

Li Peng told the NPC that Zhu and Zou were being promoted as a reward for their support of the crackdown on pro-democracy activists. In fact, Zhu is widely believed to have opposed the use of force. He also managed to keep the army out of Shanghai during the turmoil.

In true Chinese style, Li Peng is putting blame for the crackdown on all China's leaders, whether they were responsible or not: past, present and future.

This is seen as essential to dissuade others from advocat ing renewed political unrest. Any political change in China. goes the theory, will be ordered from the top leadership, not forced from the grassroots by political action.

Deng and some provincial leaders have now managed to

reas. I the pre-Tiananmen refore tone into the fiveyear pain recently adopted by the party, but the future direction of China's economy is far from resolved.

This is reflected in the promotion of Zou Jiahua, 64, to vice-premier at the same time as Zhu Rongji. Soviet-trained Zou is considered more conservative than Zhu. For the past 18 months he has headed the State Planning Commission, which exercises central control over China's vast

economy Zou oversaw the government's policy of austerity in 1988 which brought the country's overheated economy under control.

He also guided drafting of the five-year plan and 10-year development programme which were recently approved. He is cautious about the pace of reform, and asserts that the economy should be guided by centrist control rather than by market mechanisms.

His appointment is seen as another example of Deng's strategy of carefully balancing opinions in China's most important political bodies.

Before the appointments of Zou and Zhu, two of the three vice-premiers favoured economic reform. These were Tian Jiyun, 61, a former protege of ousted party leader

Zhao Ziyang, and Wu Xueqian, 69, a supporter of the late Hu Yaobang, who was party chief

before Zhao. Only ailing Vice-Premier Yao Yilin, 73, generally sup ports a conservative approach

to the economy With Zao's and Zhu's appointments the balance is still in favour of reform, although Zou is expected to caution against unbridled liberalisation and hasty reform.

The appointments reflect the central issue in Chinese politics: whether the future should be shaped by ideology and central control, or by liberalisation and a free market.

Zhu's promotion may also be an attempt by China's leaders to rein-in the powerful regional chiefs.

For some time there has been growing tension between Betting and provincial leaders. Deposed party chief Zhao Ziyang's liberal economic reforms received most support from the provincial leaders. and they are still the most enthusiastic supporters of economic reform.

Free market mechanisms have made it possible for China's coastal and southern provinces to achieve steady economic growth, despite the country's major problems. They have exported much of their produce and have at-

to clamour for Zhao's return but they will undoubtedly supleadership

port any liberal reform tendency within the central party In moving to Betting. Zhu Rongii will have to surrender his job as mayor of Shanghai.

tracted foreign investment.

Now the central govern-

ment, fearful of a possible po-

litical threat from the

provinces, is anxious to reduce

the autonomy of the provincial

leadership. They are unlikely

and thus weaken the reform movement in the provinces. A similar thing happened in March with Ye Xuanping, governor of Guangdong, China's most prosperous province. Ye, a staunch advocate of market reform, was removed from his post and made vice-chairman of the powerless advisory body.

the Chinese people's Consultative Council in Beijing This move was also orchestrated by Deng Xiaoping. After the brutal suppression of the pro- democracy movement. Deng ordered that no major political changes be made for two years. This deadline is almost up. and a consensus is

being sought for the future. China's leadership understandably wants to avoid a repeat of what happened to Eastern Europe's autocratic leaders. What they seem not to have grasped is that demands for political reform will inevitably grow from any real programme of economic reform that they implement. -GEMINI NEWS.

LARRY JAGAN works for Radio Netherlands and specialises in Asian affairs. He was formerly editor of Inside Asia magazine published in London.

Integrated Social Forestry Takes Roots in Philippines

dwellers at 17 million and considered among the country's "poorest of the poor."

Like most of their counterparts in the developing world. these landless uplanders eke out a living mainly through slash-and-burn farming.

Worse still, they are left to fend for themselves, deprived even of the most basic government services like health and education.

The Aquino government considers the programme as an effective way of protecting the environment, improving the lives of uplanders and promoting social justice.

At the heart of the programme is "people's involve-

is an informative introduc-

tion to life in this colourful

city. I am, however rather

taken aback by the article,

"Women on Wheels."

Getting around in this con-

gested city is a big hassle

and it is clear that the pub-

lic transport system needs

a huge face-lift. There're

simply too many rickshaws

clogging the narrow roads

and not enough big buses to

move people around. But I

feel if F. Huq has painted an

overgloomy and ultra dan-

gerous picture of com-

muters in Dhaka? After

reading this article, I doubt

whether women would

Women MPs

provisions, women MPs for

the reserved seats are indi-

rectly elected by the male-

dominated Parliament

Members. Women MPs so

elected cannot, therefore,

be expected to be able to

make any contribution to

the House other than play-

ing second fiddle to the

male MPs. Our womenfolk

comprising about 50% of

our population continues to

be a neglected and op-

pressed community. There

are often pious utterances

at various quarters about

the urgent need for uplift-

ing our womenfolk from

their present pitiable sta-

tus, but there is none to

forcefully represent their

case. We now have two

ladies at the helm of our

public life, one the Leader

of the House and the other

the Leader of the Opposi-

Sir, Under the existing

dare venture out alone.

Expat

by Manolo B. Jara writes from Manila

At 17 million-strong, Filipino upland dwellers are considered among the country's 'poorest of the poor'

put it, ISF means "enlisting the people directly using forest lands in the task of stewarding the uplands."

The unabated misuse of these lands results in the loss of soil fertility, siltation of irrigation systems and coastal fishing grounds as well as the exacerbation of droughts and

Uplanders are by nature mignatory. As soon as the land number of Filipino upland ment." As Secretary Factoran they till becomes useless agri-

five hectares for each individual participant to as high as 2.000 hectares for communities and tribals. CSC awardees are required

denuded forest lands.

to undertake reforestation as well as agro-forestry and other alternative livelihood projects in these areas.

culturally, they move to an-

such misuse by providing secu-

rity of land tenure. This is ac-

complished through the is-

suance of Certificates' of

Stewardship Contracts (CSCs)

to participants over parcels of

ranging form a maximum of

The size of land varies.

The ISF hopes to minimise

other denuded forest area.

The aim is for the "forest stewards" to "actively invest land, be intimately aware of the land's response to different treatments, and be able to respond in ways that enhance the productivity of the land."

themselves in the care of the

For its part, the government commits itself to providing assistance to awardees like introduction of alternative livelihood projects and con-



DENR Secretary Jun S. Factoran

struction of infrastructure (like mini-dams or trails). Secretary Factoran reported

to President Aquino that the program's implementation is being accelerated. From 1987 to 1990, he said, the number of CSCs issued had already reached 128,194 Of the total, 40,925 con-

tracts were issued last year. Forest lands put under the programme totalled 355.780 hectares, of which 104,942 hectares were awarded in 1990. Meanwhile, the area developed into agro-forestry farms now stands at 170,869 hectares.

While officials are optimistic about its progress, they also admit that much more needs to be done to sustain the programmes momentum.

Secretary Factoran says that complementary services earlier envisioned to support the programme like the provision of basic services from other government departments are not yet firmly in place.

But the kinks are being ironed out to ensure that the programme will eventually benefit the 17 million impovcrished Filipino uplanders.

More significantly, its success will help bring about a "sustainable development" which satisfies 74the needs of today without jeopardising the prospects of future genera-Depthnews Asia.

OPINION

Approach to Corruption Here are some comments the supply and communication

on corruption by a layman, because I have to face it in my daily life, for the consideration of the 'experts', who are still grappling with a phenomenon which appears to follow the scientists' 'expanding universe' theory on the creation of the

Corruption cannot be eradicated by going after individual cases piecemeal and on individual basis, and starting from the lowest visible level (catching the chingri instead of the boal fish).

System diagrams have to be prepared for feeding the computer with flow charts for analysis and simulation studies; the various loops of corrupt practices have to be examined, for preparation of action plans. The operation is similar to a military offensive campaign. The critical points in the loops have to be smashed up, so that the chains cannot work (break the continuity). The rules, regulations, and the procedures should be such that even if anyone plans to be corrupt, he

won't succeed. Rules are not made for those who work in the correct manner and spirit, but to prevent the bad eggs from carrying out their nefarious designs (sabotage, stealing, pilfering, bribery, etc.). Good rules never provided that the spirit of the rules are followed honestly: because we do our personal and private work without any

Preventive measures, and check-and-balance procedures have to be reviewed and revised, and strictly applied; to catch those who evade or impede work. In warfare, first

lines are cut (a recent example is the war in Iraq).

At least two persons are in-

volved in a bribe transaction. both of whom accept the concept. If the potential briber is not willing to co-operate then the transaction is held up. At the next stage in the processing, the situation repeats itself. So the whole chain has to be 'oiled' by the victim.

Hence the crackdown should start at the top. Without the head, the body cannot operate. A team works according to the instructions of the team leader. Now who is to supervise the leader? Also, how the supervisor is to be supervised? In a team of thieves who is the saint? And how the saint will •do his work?

The huge administrative machinery (in any sector) cannot be supervised by one honest officer. Physically it is impossible. So we have to examine channels of motivation; and supplement it with a system of recognition, appreciation, rewards and awards.

Some seek money and the material things of life. to others, who believe in integrity and service to the community. recognition and honour are more important.

The corrupt and the preventive personnel come from the same society. Before a person catches and offender, he must be willing to catch, and not succumb to temptation (compare border checks on smuggling and how ineffective it is, otherwise there would be no smuggling). How to make an official carry out his designated duties without fear or favour? This is a victous circle

which has to be broken up.

come back to the same office for repeat jobs (viz clearance, permits, orders, payments, etc.)? Who wishes to face the lengthy court proceedings as prosecutor/witness?

The suggestion has been mooted that all visitors to any office must be received by an officer, and not by a member of the staff. The official is supposed to examine the issue or papers and provide proper advice for speedy processing. In Japan and Malaysia, for example, there are several small booths used as visitor's room, where an officer of the section concerned sees one visitor at a time and helps him with the

There are two prevailing attitudes on rendering service to the public: why it cannot be done - the usual negative approach in developing countries; and how it can be done constructive advice and briefing to complete the job quickly. How to bring about

this change of mentality? The above observations are just the tip of an iceberg. There are many other details which have to be examined by expert bodies to be constituted by the authorities.

All exercises would be futile without national consensus. If VIPs and influential groups seek protection, or support the wrong-doers, then we have to live with corruption as a way of life. The twin of 'deterrent' is the 'victimisation' syndrome. The latter thrives on our wellknown penchant for 'misplaced kindness', whereby pressure groups try to convert wrong into right, and the society is inclined to succumb to

this type of group blackmail. We play the game of merry go-round, as we used to do in childhood. We have to grow up. A.Mawaz Dhaka

written rules and regulations.

The hypothetical question before the potential bribe-giver is: if he is in a hurry, he has to pay: if he reports, how does he

impede or slow down routine work. It is possible to carry out an assignment on emergency basis without being familiar with the detailed implications.

M. Zahidul Haque, Bangladesh Agricultural College. Dhaka 1207

tion. They are in a very enviable position to do something for their ne-

glected sisters. Instead of playing second fiddle to male Members, women MPs should be given the opportunity of having independent views of their own. This can happen if, in general elections, the women MPs were directly elected

by the voters of the constituencies reserved for them. Women MPs so elected would then have a greater say about women's affairs and the House would be obliged to take notice of their views. It is also highly desirable that the reserved seats for women be increased from the existing 30 to at least 50, if not

more. It is equally desirable

that the Minister for Wo-

men Affairs be a woman.

A. Qayyum Gulshan, Dhaka.

Telephone

Sir, Përhaps telephone exchanges in the metropolis are now mal-functioning because the incidence of wrong number and crossconnections have increased alarmingly. One would never get one's desired number before hearing three to four 'wrong calls'! Some days ago, when I was talking about these problems with some local T & T personnel, he informed me that these problems are due to faults in the cables which are too old in most lines and overloading of connections in the switch room.

I would request the T & T authority to repair and rectify the faults of the old connection before going for developing new connection facilities.

Assistant Professor,