Dhaka, Friday, August 9, 1991

When No Loss is Big Profit

The World Bank Vice President said something that we all knew - that our public sector has become a big drag on the national economy According to Mr. Attila Karaosmanoglu, if our public sector enterprises would only function at a break-even level - meaning no profit no loss then Bangladesh could save upto Tk 2,000 crore (Tk. 20 billion) annually. It is an unacceptable level of loss for any government anywhere, leave one as resource stricken and poverty ridden as ours. One can argue as to why the VAT or any new tax for that matter. Government should first concentrate on putting its own house in order make the public sector function at a minimum level of efficiency.

Jute, steel and engineering, textile, power; railways etc. are some of the areas where the enterprises have been constantly eating up national resources without any commensurate return. The Power Development Board hides massive inefficiency, mismanagement and corruption under what is popularly known as "systems loss". At a level of 41 per cent, it is the highest in the world. According to the World Bank VP, if only the PDB would do a reasonably good job of stemming its hemorrhage we could have one Jamuna Bridge once every four years. In jute we suffer a loss of Tk 700 crores annually. In the railways it is Tk.150 crore. The Chemical Industries Corporation would show a far higher 'book loss' if hidden subsidies such as low natural gas price for its fertilizer factories, would come in the books. The figures go on and on showing how the poor tax payers of Bangladesh are keeping alive industrial units, factories and large corporations which far richer countries would have closed down a long time ago.

While we are being bled white on one side, on the other there has been on an average 23 per cent wage hike in real terms per year during the last five years. According to ILO, anything more than a 10 to 12 per cent hike in real wages in a Third World country makes an enterprise nonviable. Anything more than 15 per cent leads to serious inflationary trends.

Over the last 10 years there has been a total investment of Tk.12,000 crores (it will be much higher if calculated in current cost value terms) in the public sector. The investment in these sector shows no sign of ending and unless we are prepared to take some drastic and bold steps. there is no likelihood of any light being at the end of this 'loss tunnel'.

Our post-liberation love affair with public enterprise stemmed from a misplaced notion of social justice, thinking that private sector will enrich only 'themselves' (as a section of it has) whereas public sector will add to the overall wealth of masses. But experience showed that public sector, instead of meaning public ownership, became an euphemism for party ownership or the "boss's" ownership leading to the massive bleeding of resources that we see now.

Both experience and recent studies now lead us to only one conclusion; We have no option but to make our public sector perform better. Whereever possible it should be privatised. But in many areas such actions will only transfer the same burden to the private sector, who in turn will borrow public money from the banks and waste more resources. No, the answer lies where the private sector is unable to handle it in plugging the wholes through which the public sector wealth is draining out. Here come the question of massive reforms that everyone has been talking about. These reforms must come about through national consensus so that their implementation should not become part of party politics. The World Bank's formula may not always be applicable for us. But so far we have not come up with any suggestions from our side.

Time is now propitious for a meeting of minds of representatives of the government, the private sector, donor bodies, "Think Tanks" and experts. Let us all get together, along with political representatives and carry out reforms so that we can build a Jamuna Bridge every year — so to speak.

"Illegal and Unethical"

Britain has done well in criticising Israel for the establishment of new Jewish settlements in occupied Arab territories. London has rightly described the moves by Tel Aviv as "Illegal and Unethical". The protest follows a similar criticism by President George Bush, although, one may say, Washington should have spoken on this subject in stronger terms.

Tel Aviv has so far ignored, almost with callous indifference, all international protests over its settlement policy in the occupied territories. This policy has acquired a somewhat vicious dimension in recent years. Israel has never made a secret of its ambition to eventually annex the West Bank, since Zionists of all shades consider the territory to have been part of the great Biblical kingdoms of Solomon and David. However, annexation of Judaea and Samaria - as Israelis call the West Bank — would dramatically alter the demographic balance in the whole of Israel. Once the million-strong West Bank Arabs are added to the population of Isreal through annexation, the Jewish character of the state will face a serious long-term threat, since Palestinians have a higher birth-rate than Israeli Jews.

Over the past several years, Isreal has followed a quiet policy of increasing use of repressive tactics, such as forcible occupation of Arab-owned land, bulldozing of Arab homes, and deportation of families, to encourage an Arab exodus. At the same time, Tel Aviv is vigorously pursuing a policy of settling new Jewish immigrants from the Soviet Union - who numbered some 250,000 in 1990 alone - in the West Bank in a process which can only be described as colonisation.

Thus a dangerous scenario is unfolding steadily. Israel's refusal to discuss the fate of Jerusalem in the forthcoming peace conference, as well as its demand to have a say over the composition of the Palestinian delegation closely follow its settlement policy.

There is little doubt in one's mind that Tel Aviv is doing everything in its power to reduce the chances of success of the long-awaited conference. It is now upto Washington to make it clear to Israel that unless it puts a halt to its present obstructive policies, there would be little point in going ahead with the peace-making process.

Campus: For Studies, Not for Party Politics

by Muslehuddin Ahmad

O govern a country is an extremely onerous responsibility. Those who can discharge it with justice, fairness and dedication are adored but those who fail face political defeat or even

total disgrace. In a parliamentary democracy, there is not much difference between the party in power and the party in opposition - both bear appropriate but very high responsibilities towards the country. One runs the country and the other watches how well it is run both responsibilities are heavy but honourable. In the discharge of political responsibilities both have to remain within the boundaries of democratic norms and principles and also show acceptable political and social behaviour.

The reason is simple. Unlike autocrats, they have to go back to the people, the ultimate source of political power. They should also surely keep in mind that whatever they do and say, people watch, and they know who is or are at fault. The people of Bangladesh, though largely unlettered, have strong political judgment and they have proved it many times. The political parties would be well advised to become fully aware

In the long nine years of autocratic rule, the educational institutions and particularly

Tanzania, Julius Nye-

rere, currently chair-

man of the South Commission,

believes that the ending of the

cold war will not necessarily

result in benefits to developing

during an interview in

Argentina against assuming

there was no further need for

the Non-Aligned Movement,

the group of countries that are

aligned neither with the com-

munist eastern world or the

Non-Aligned Movement in

1989, there was speculation

that the end of the cold war

might mean there was no fur-

ther need for the movement.

Nyerere reminded members

that they did not form the

movement to say whether they

belonged to the eastern or

selves," said Nyerere. "And if

the exercise of pressure is now

coming from one centre in-

stead of two, who says it is less

than before? The United

States is going to want to

dominate, and common sense

says they may even dominate

more arrogantly than they did

HE 33 tiny islets that

South China Sea are hardly fit

make up the Spratly

island group on the

"No, we belonged to our-

At the last meeting of the

In addition, he cautioned

countries.

capitalist west.

western bloc.

the universities faced frequent closures at the instance of the autocrat. With the autocrat's fall in which the students had the biggest contribution through united actions, the people were confident that anarchy in the educational institutions would be over violence will never return to the campuses. But alas! the situation has become worse. The campuses have been turned into veritable battle fields. Chase-counter chase. bomb blasts, siege, long free-

absolutely unbelievable that the Government with country's all forces under its command was unable to control only a few hoodlums. However, the university authorities felt that the situation went out of their control and whether the people liked it or not they closed down the university sine die. But closure is no solution. It

has been tried many times and

every time the university re-

opened, the violence returned

serves appreciation, did not produce the desired results one should explore the possibility of some success through a non-political move by nonpoliticians, which should be geared to achieving peace on the campuses where the students will carry pen and pencil on their pockets and not guns knives and bombs.

There may be two ways to organise this. The Acting President who is also the

moves on this, should make a joint endeavour, under the leadership of the Acting President, a non-political personality, if he so agrees, to organise a conference of all the political parties for the purpose. Here again the wholehearted support of the parents, guardians, teachers and all others concerned will be necessary. The vast majority of the student community is undoubtedly interested to pursue their studies and they must give full support to make the

countless problems of crisis proportion which needed their attention and actions. The next crisis issues is undoubtedly the campus violence and the country expects the political parties to concen-

trate immediately on this. Let our respected politicians, on their own, considering the very future of their children and indeed the future of the nation, decide to rise above party politics for bringing peace to the campuses. The nation will adore them, honour them and remember them with gratitude for another such courageous act which will undoubtedly save the country's education from ruination. Let the political parties allow the students to study and not use them for going to power or clinging on to power.

Nobody is, however, asking students to abandon politics. As the adult citizens of the country they are free to do polities but they must do it outside the campuses. When they return to the campuses they return only for studies and study related activities. The people are confident that the entire student community which has the brilliant record of working together unitedly at the time of every national crists would untte again and respond positively to the need of the hour as the present crisis in education is set to destroy their future, their own destiny.

The Chancellor of the universities may officially convene a conference of all political parties and seek firm commitment from them to refrain from politics on the campus by publicly declaring closure of the student wings of the political parties.

style gun battles have become regular features of the campus life. Ordinary public are also not spared; motor vehicles of the public who have indeed nothing to do with the campus affairs are being destroyed and

The reported statement of the Vice-Chancellor of Dhaka University that the Ministry of Home Affairs which is under the charge of the Prime Minister and responsible for maintenance of law and order. "confessed its failure to control the situation" has been contradicted by the university authority. Contradiction aside. no government can confess such things. Moreover, it is

with increased vigour more arms and ammunation. It seems that the closures give the hoodlums good chances to regroup and rearm - exact strategies seen in the battle

It is no longer a students' affair. The future of our boys and girls and indeed the entire nation and its democratic processes are in jeopardy. The crisis has come to a head and it is high time for the nation as a whole to wake up and work sincerely to find a way to end this calamitous situation in the educational institutions and particularly in the universities. As the political move by the Prime Minister, which de-

may officially convene a conference of all the political parcommitment from all of them to refrain from doing politics dent wings of the political parties. If the President denon-political civic organisations and also the full support

Chancellor of the universities

are also trying to make some

proposed conference a suc-

However, the real success will depend on the good will and cooperation of the various political parties. The country has just witnessed their extraordinary courage and spirit of political cooperation in the Parliament, in passing the historic Twelfth Consti-tution Amendment Bill that takes the country, hopefully irreversibly, to the path of parliamentary democracy. The political parties acted superbly and have fulfilled the hopes and aspirations of the people on country's political system. This is undoubtedly a very major step but only a beginning. The country is plagued with

> "There is," says Nyerere, "an American phrase which says" if you can't beat them, join them'. Frankly, I don'tthink a Southern country join-

Nyerere's basic message as chairman of the South Commission echos his views about alignment, and realignment: "It's about the well-be-

"Secondly, we have to say that we depend on ourselves for development". So Tanzania might say that Tanzania must depend on itself for its development, Argentina might say that it must depend on itself, its own resources, its own people, for its own development. That is our fundamental

ties (something suggested even earlier) and seek a firm in the campuses by publicly declaring closure of the stustres he can ask for help of the of the parents, guardians, teachers and students to build up adequate pressure on the political parties.

Alternatively, the non-political civic organisations which

> ing the United States is a substitute for gaining a bigger say in the solidarity of the trade union of the weak."

> > ing of our people, it's about the freedom of our people.

> > recommendation. "The second recommendation, what we call collective self-reliance, follows on that GEMINI NEWS

FRANK NOWIKOWSKI is a journalist who has worked in Europe, Africa and Latin America.

Nyerere Warns against Dreams of Aid ORMER president of

Frank Nowikowski writes from Buenos Aires

The end of the cold war has led to speculation about the continued usefulness of the Non-Aligned Movement. Already, Argentina has said it has plans to leave the movement and realign itself with the United States. But former Tanzanian President Julius Nyerere argued on a recent visit to Argentina that the Non-Aligned Movement is more necessary than ever.



'Ending the North-South division is much more important'

when the Soviet Union was around.

"The end of the conflict between the two superpower blocs was the end of a division of the world," said Nyerere. "We welcome that change."

However, he said, "to me, unmasking and ending the North-South division is much more profound and much more important." In a report for the South

Commission, which produced an independent analysis of development problems, Nyerere wrote that co-operation between the superpowers could secure a higher place for development in world concerns.

But he cautions against undue optimism with regard to development in the South. "unless we put our heads together and concentrate on the use of our own resources."

"It is a theoretical possibility," he wrote. "There is no

grass that suffers". Nyerere does not think that a kind of Marshall Plan for the South will come about, as is talked about for Eastern Europe. "It's a matter of com-

mon sense. Who is going to put

up the money? There is a lot of

dreaming about it in some

quarters of the South. It might

doubt that the end of the cold

war ... means that resources

which were spent by the North

on defence will not be spent to

the same extent on defence.

So theoretically at least there

will be a release of funds. Some

people call it the peace divi-

is fond of quoting a Swahili

saying, "when two elephants"

fight it is the grass that

suffers" and adding "when the

elephants make love it is the

In urging caution, Nyerere

The move towards realignment, what Argentina president Carlos Menem calls "inserting Argentina into the world," has been going on for some time. During the Gulf war. Argentina was the only Latin American country to send forces, albeit ships in a non-combat role, as part of the US-led coalition.

have been possible during the

cold war as a dividend of the

struggle between the super-

came soon after that country

had announced that it would

pull out of the Non-Aligned

Movement. Foreign Minister

Guido di Tella said the country

would realign itself with the

United States because the non-

aligned movement "now repre-

sents a world that has ended."

Nyerere's visit to Argentina

powers, but why now?"

between the two Association of

South-east Asian Nations

Spratlys: Asia's Next Flash-point?

for habitation, but overlapping claims over the islands could ignite a conflict more violent than the Cambodian conflict. To avert a possible future

war. Indonesia is bringing together for the first time the six countries claiming the islands — China, Malaysia, Vietnam. Taiwan. Brunei and the Philippines — in a meeting in Bandung this month. Growing economic compe-

tition for food and energy sources are pushing Asian countries to seek ways to extend their power beyond their territorial waters. This explains the fierce rivalry for what are little more than atolls and shoals in the Spratlys.

Chinese military spokesman put it ominously: "The situation in the Nanshan islands (China's name for the Spratlys) is getting more serious and the scramble for oil resources after the Gulf War

has accentuated this situation." The island group is believed to hold rich fishery resources around its waters as well as substantial deposits of petroleum and natural gas on the surrounding continental shelf.

Their strategic importance is an interesting facet of World diplomat here.

War II history. The waters are a nightmare to navigate and provided an excellent haven for the Japanese Navy which used one of the atolls as a base.

According to a Philippine government report prepared in 1982 "a hostile nation can station Polaris-type missile submarines in the islands and control a theatre with a radius of 4,000 km, containing a third of the world's popula-

The islands also lie near shipping lanes that carry supplies of oil from the Persian Gulf to Japan and other Asian nations. Whoever is in possession of them could control the main maritime passage between the Indian and Pacific Oceans, experts say.

As the only state bordering the South China Sea without any claims on the Spratlys, Indonesia fears that the Southeast Asian states could be drawn into the rivalry of powers from outside the region.

"It is important to find ways for the legitimate interests of the non-regional states not to conflict with each other nor drag the South China Sea states into such conflicting interests," said an Indonesian

A group of tiny atolls in the middle of the South China Sea could be Asia's next flashpoint. Surya Gangadharan of IPS reports from Singapore.



The potential for conflict is real, according to military experts who fear that with the Cambodian war appearing to be winding down, political tensions could easily shift to the South China Sea.

"There are strong indications that the future arena of conflict may shift toward the maritime area, specifically the territorial dispute over the Spratlys," Gen Lisandro Abadia, the Philippine armed forces

chief, told the 'Conference on Regional Cooperation and Security in Asia-Pacific' in Manila in June.

At the same conference, Malaysian Gen Hashim Mohamed Ali warned that unless rival claims are resolved, the South China Sea could be the next flash point of conflict.

The fears appear to focus around the ambitions of China and Vietnam, the two claimants which have openly clashed over the Spratlys.

In May, Vietnam installed satellite television receivers on some of the islands and said it planned to install many more. China promptly announced its intention to step up combat drills by its South China Sea

The islands have had a history of conflict. In 1983, Malaysia landed troops and naval personnel on the Layang-Layang atoll disregarding protests from littoral states. China followed in March 1988, forcibly ejecting Vietnamese forces from seven of the is-

Again in April 1988, the arrest of 49 Filipino fishermen by Malaysian naval gunboats sparked off a diplomatic row

(ASEAN) states. Manila despatched additional troops and artillery to the atolls it claimed. Taiwan has held some of the islands since 1956. Even tiny Brunei has declared its

claim to one of the atolls

though it has no military muscle to back its claim. Fortunately, it is not Indonesia alone which is trying to get the negotiating process under way. On a visit to Jakarta early this month, Chinese President Yang Shangkun Pro-

posed a joint exploitation of

the Spratlys' oil and gas deposits. While reiterating Beijing's "undisputed sovereignty" over the Spratlys, Yang assured that China would, "in due time", be prepared to solve the dispute "through friendly consulta-

Jakarta has outlined six issues, ranging from political, security to resource management, that could be discussed in Bandung.

But experts say the legal questions, particularly the law of the sea on which many nations base their claims, are too daunting and could fuel discord over the Spratlys for

of BCCI from the present cri-

sis. I like to add one more op-

tion of reopening BCCI by

Bangladesh Bank for local

transactions as has been done

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.

M.S. rods

Sir, The chairman of Bangladesh Re-rolling, Mills Association has appealed to the Prime Minister to withdraw Value Added Tax (VAT) on M.S. rods through sizable advertisements in the dailies giving comparative details of cost elements. It is evident that cost of M.S. rods of commerquality steel was Tk 23, 196/- per metric ton while this cost comes to

Tk 25,719/- per MT after VAT. On the other hand, the metal bulletin export price of M.S. rods of standard quality is only US dollar 290.00 per MT FOB from Belgian ports as per agreement of European Coal and Economic Community of EEC. Thus by paying freight, insurance etc. the landed cost of M.S. rods is around Tk 13,000/- per MT without duties and taxes. It is not expected that the government will earn more than 2500-

3000 Taka per ton while the importers and dealers will not earn more than 1000-1500 Taka as profit per ton. Thus M.S. rods can easily be marketed at Tk 17,000-18,000 per MT. Under the above backdrop should we go for producing costly billets for making M.S. rods through over protectionism and wasting more dollars which is very scarce?

Sadik Alee. Maghbazar, Dhaka

Students and politics

Sir, I would like to draw the kind attention of all who matter to the seourge of apprehension of peace; loving citizens of the country and stress that this state of affairs merits solution at any cost.

Party politics among the students is growing in such a dimension in different educational institutions of our country that now it poses a great threat to the society as a whole.

Students are future hope and aspiration of the country. But our so-called politicians used them as stepping stone for achieving their end. But now the situation has changed. Students should bear in mind that their career is more important and precious than anything else. They must not drift in the frustrations of the past and see the future in the same light. Due to party politics many ills have cropped up. such as : (i) academic atmosphere is vitiated; (ii) terrorism and violence have got the upper-hand; (iii) examinations

postponed; (iv) indifference to study and curriculum-activities has put the future of many into oblivion, and now (v) the socicty suffers a sense of insecu-

Considering the above mentioned evils very serious, I appeal to all socially conscious people in general and those at the helm of affairs in particular to come forward with missionary zeal to find out some concrete solution to curb the menace and thereby keep the wolf out of the door.

Naushad Rahman Naya Paltan, Dhaka.

BCCI — option for rescue

Sir, I fully agree with the Opinion of Mr. M.A Sattar. published in your esteemed daily on July 30 for the rescue

by Pakistan, Sri Lanka and Thailand for the benefit of the depositors. If Bangladesh Bank is reluctant to reopen BCCI, legal action may be taken by filing a writ in the High Court. The Depositors' Committee has every right to do so to safeguard the interest of the depositors. It is not understood as to why Bangladesh Bank is follow-

ing the footsteps of Bank of

England so strictly without giv-

ing due importance to the in-

terest of depositors and considering their plight.

Beni Babu Road, Khulna

Md. Abul Hashem