

Logic and Lapse

Finance Minister Saifur Rahman had a lot of sensible things to say when he met a group of members of parliament on Sunday to exchange views on the economic options open to the country. The fact that he sought the opinion of MPs in itself is a welcome development, particularly at a time when a well-defined national consensus on broad economic issues has become a vital necessity. It is to be hoped that this kind of exchanges of opinion will become a regular feature, with greater participation of opposition MPs than there was on Sunday.

One thing that came through loud and clear from the meeting was the Finance Minister's concern about domestic resource mobilisation. He said the current Annual Development Budget (ADB) had only a 24 per cent domestic component which, while an improvement on the previous year, was still woefully inadequate. Saifur Rahman's point that such poor domestic input into the ADB could only be improved by expanding the tax base, through plugging loopholes in fiscal laws and improving efficiency of the tax collection system, is a common sense one and no one should have any disagreement with that. It has been an open secret for years that the amount of revenue trickling into the government's coffers is a mere fraction of what is possible. Logic therefore dictates that our economic performance, and particularly the government's ability to finance greater part of the ADB from its own resources, can be vastly improved without increasing taxes or imposing taxes on products or earnings previously outside the tax-net. What we need is greater administrative efficiency, and personal and corporate honesty.

However, Rahman had then gone on to declare that out of 100 big companies, only two had paid taxes; that 200 top businessmen had not paid any tax; and that people living in certain areas of Dhaka and Chittagong, evade taxes most. It is this damning, yet unspecified condemnation of a large segment of the urban population we find so objectionable. If the minister is aware that 98 companies and 200 businessmen are indeed avoiding paying taxes, then why has the government not taken any legal action against them? The government does not only have the authority and means to bring such culprits to justice, it has a moral, political and legal obligation to do so.

The minister also did not do any justice to his well-earned position of respect by branding inhabitants of so many city neighbourhoods as "tax-evaders." Are they all in the same category? Are most of them? Does the Finance Minister know who they are? If he does, then why has he not brought the offenders to book? Or if he does not, then why has he not investigated the matter before making such a sweeping statement? The minister should understand that his words would carry a far greater importance — as they indeed deserve to — if they were not laced with remarks that are unfortunate at best, and irresponsible at worst.

Despite the lapse, we have little doubt that Saifur Rahman is more serious than some others about the ministry he heads. We also have little worries about his determination to tackle the problems effectively. We certainly hope that expansion of the tax base would not necessarily be accompanied by an increase in direct or indirect taxation across the board. The government's fiscal policy should be framed with the clear objective of providing greater incentive to boost production and stimulate domestic demand. In certain areas it may be necessary to lower taxes to achieve those aims. We certainly hope the minister is in a position to convince his cabinet colleagues of the need for a bold and radical fiscal policy.

Obstacles to Women Education Must be Eliminated

It is gratifying that on Sunday a 'national' seminar took up as its subject a dual topic: Women Education and Compulsory Primary Education — no doubt in the belief that the two were very much inter-related. One may go indeed as far as to say that one was woven into the other and vice versa.

If we go by the records, we have no way to put faith on platitudes proclaiming incredible literacy gains over more incredibly small time-frames. Compulsory primary education is logically another name for education for all repeat ALL children of school-going age. In a land where literacy rate shames the snail in its sluggishness of pace staying put to indeterminate areas between 20 and 30 percent and increase in the absolute number of illiterate persons — for all the high sounding claims on the score by the successive governments Bangladesh may now be a land of more than eighty million of such disadvantaged people — is phenomenal; unreal projections of luring universal literacy by one, two or three decades of time can at best be a ploy for the bureaucrats to take the people for a ride — and for the politicians to tout worthless ware and make a fool of themselves.

It is common knowledge that non-formal education is an essential and truly big component in any meaningful endeavour towards universal literacy. And what better non-formal and sure-fire fall-safe education can we have than that can be had of a literate mother in the house? If education for all is the goal, then we have no substitute for literate motherhood as a primary instrument to achieve that. If we are true in our educational resolve and want to hold steadfastly to it, all obstacles to women's education must be ruthlessly eliminated. They arise mainly from two sources: pseudo-religious prejudices and exploitative and mean, undemocratic and inhuman lop-sided male sense of divine right to rule over the female. Both must be engaged in their very roots and obliterated for good.

In the keynote paper it was suggested at the seminar that from the primary-level curriculum the burden of foreign languages should be lessened and all the required readings made truly attractive to the children. We agree wholeheartedly with the proposal as we also feel one with the urgency of the need of quality teachers at that level. How we look back nostalgically to the quality of the teachers and of the *pathsalas* they taught at only the other day.

Massive Problems Face the Country in Areas from Agriculture to Proliferation of Black Income

by A K N Ahmed

In a three-part series, a former Governor of Bangladesh Bank discusses the whole range of economic problems facing the country and offers his remedies. In his introduction, Mr Ahmed says, "Neither are the problems discussed exhaustive nor do the remedies suggested provide final answers. There is room for further elaboration, backed by relative data and statistics." The first part, published here, deals with problems, while the next two parts, to be published on subsequent days, will focus on their solutions.

the same thing. As the infrastructure industries have large forward and backward linkages, shortages in these products and services create shortages in many others.

POOR EXPORT PERFORMANCE: Export performance of Bangladesh is very poor. The annual level of exports is yet to reach \$1.5 billion whereas the same for a small country like Sri Lanka exceeds \$3 billion. Our export targets only remain unfulfilled. Recent statistics indicate that there would be 8.3 per cent shortfall from export targets in 1991-92 (\$1.6 billion). Target for 1992-93 (\$2.6 billion) is unlikely to be achieved. If determined push is not given and some persons are not made accountable in future. The export base of the country has not broadened during the last 20 years while share of the traditional items in total exports have come down from 80 to 20 per cent of the total. The country will not be able to improve its performance in this sector unless we learn to identify and seize the opportunities offered to us by changing the demand scene in the international market. Our Ready-made Garments export has of late done fairly well. But even here import content of these products continues to be high and the manufacturers are not taking any step to penetrate into new market like Japan and to increase our share in the existing market when Multi Fibre Agreement (MFA) comes to an end on successful conclusion of Uruguay round of talks. Our Export Promotion Bureau is only engaged in petty file work without being able to provide dynamic leadership to our potential exporters.

PROLIFERATION OF BLACK INCOME: Black income arises mainly through pursuit of illegal activities like taking graft in government offices, selling spurious drugs, selling commodities and services at more than controlled prices or in greater quantities than permitted under the law or keeping back monies owed to the government (tax evasion). Black monies have now become a large proportion of total national income and keep exerting undue pressures on resources, raising prices and distorting income distribution and consumption pattern. Black money is also rendering monetary control by the central bank more and more ineffective.

HYPER INFLATION IN PROPERTY MARKET: The big problems for the earners of black money are to find channels for investing their earnings. These can only be non-institutional assets like land, buildings, jewellery and gold. This is one primary reason why the prices of these assets are sky rocketing in the country without any remote relation to the degree of inflation of prices of other commodities. On the other side, in the face of a colossal increase in demand for low cost housing, government activities are concentrated on supplying only high cost land and housing diverting resources from more important areas where they could be more profitably used.

LOW QUALITY SOCIAL SERVICES: During all these years per capita income particularly of those in the lower rung of society has not increased with whatever growth has taken place. Trickle-down theory of growth has proved to be a failure. Consequently millions of people have been kept outside the growth process and very little dent has been made in the poverty situation. Successive governments in the country have so far shown scant regard for any commitment to any programme of poverty removal. The result: the growth is not trickling down either automatically or through any well-thought-out and well-administered programme. Ad hoc programme like funneling credit to poor farmers through banks, IRDP have failed and have only been instrumental in making affluent farmers more rich. Grameen Bank alone has been somewhat a success in helping the poor in asset creation and making them financially self supporting. But its operations are still covering only a small area of the country. We have been unable to produce more and more people like Dr. Yunus to carry forward this movement to every nook and corner of the country to have any perceptible and visible change in the situation.

POOR MUNICIPAL AND LOCAL GOVERNMENT: The public has more contacts with Municipal and local governments and it is precisely the municipal government that has been nearly totally neglected in the country. The municipalities and local governments are mostly superseded and under official domination, even though at this level the basic infrastructure of houses, roads, drainage,

garbage collection, water supply, transport, electricity supply, schools etc. should be organised. Such supersession of local elected bodies are also preventing the process of public education in rural self governance.

GRAVE UNEMPLOYMENT SITUATION: The problem of unemployment is assuming threatening proportion. Precise estimate of the level of unemployment is not available. But from all symptoms it seems to be very very high both in urban and rural areas. Additionally, there is also considerable disguised unemployment in our agricultural population. While considering the problem, the dynamics of employment is seldom understood correctly and many optical illusions prevail. Initial increase in jobs is taken to be the final increase. When employment programmes are run, when too many people are pushed into the government service or the public enterprises when bans are placed on laying off of surplus workers or when organised bodies oppose mechanisation or computerisation, it is thought that employment is being generated or safeguarded. It is not realised that programmes per se do not create durable employment, only successful programmes do, that is, those which generate surpluses for plough back and for further employment. The best way to promote employment is to allow the flabby employment to be removed, diminish costs, increase and plough back the profits, retrain the workers for new assignments and employ them and many more.

Another feature of the unemployment situation in our country is the large unemployment that co-exists with a shortage of many critical jobs. This, among other things, is the result of near total absence of manpower planning. There are few estimates of what the labour market has in store for the next two, three, or five years. There is also no coordination between industry and the universities for training and placement and the colleges and universities are only churning out graduates who find no jobs in the market. As of 1990 more than nine lakh students were studying in 837 colleges scattered all over Bangladesh. A huge amount of resources is wasted in educating and financing the failure when pass rate is not more than 30 per cent. This could have been avoided if a proper method was devised for filtering the upward movement of students on the basis of merit and financial need. The synchronisation between education and jobs remains a question mark and this is the cause of much frustration and anti-social activity.

A former Governor of Bangladesh Bank and a former Ambassador to Japan, the writer has served in a number of high positions at home and abroad, making a name for himself as an expert on economic affairs, with special emphasis on banking. Recently, he spent nearly three months in Sri Lanka on the invitation of the country's Presidential Commission to study its financial structure and to suggest possible reforms. Mr Ahmed now resides in Washington DC, but visits Bangladesh from time to time.

The World Dies a Little for the Sake of a Comma

Niala Maharaj writes from New York

Diplomats from more than 100 countries met in New York to make final preparations for June's Earth Summit in Brazil. Far from producing solid recommendations for environmental reform, five weeks of bickering and posturing collapsed into arguments over whether to bracket commas within statements. Yet, argues a Gemini News Service correspondent, some good may come from the meeting.

WATCHING the preparations for June's Earth Summit was like watching an elephant die in slow motion.

Day and night, for five gruelling weeks in March and April, the United Nations' pre-summit negotiations in New York ground on. Now they are over, many environmentalists expect the United Nations' Conference on the Environment and Development (UNCED) in Rio de Janeiro to become a failure of historic proportions.

Diplomats from more than 100 countries chewed over the documents that their governments will be asked to sign in June, concerning such issues as deforestation, ocean levels, the dumping of toxic waste and the change in the earth's climate.

While no one disagreed with the environmental objectives, discussions continually broke down, tempers were frayed, and some most undiplomatic language was heard.

This was because the crux of all international decision-making is economics. Who will pay the bill for cleaning up the world's ecological mess, which will cost billions of dollars?

The bleeding-heart dolphin lovers who would put pandas before profit do not have national accounts to prepare, or

shareholders breathing down their necks, or unemployed masses screaming for their blood. But the government bureaucrats who have built their careers around concepts like "comparative advantage" and "free trade" found the proposals at New York to be little short of revolution.

At the three other preparatory committee meetings ("Prepcoms") held before the New York meeting to prepare for the Earth Summit, powerful industrialised governments had promised reform and aid for the Third World. This encouraged environmentalists to pressure for even more change, blaming the lifestyles of rich countries for poverty and natural destruction elsewhere.

By New York's Prepcom IV, it was obvious that governments that dipped into the dangerous stream of environmental favour risked being swept into the revisionist rush and away from the firm ground of free enterprise.

For powerful governments, these final negotiations became an exercise in damage control, trying to be environmentally considerate without rocking the foundations of their wealth.

Diplomats worked night and day, earning every cent of their per diems, but there were too many of them, all tied to far-flung capitals where elections and inflation have priority over the environment. Inevitably, they became entangled in a hopeless knot of conflicting economic interests.

Yet at the opening of the meeting everything had seemed so simple. The countries' interests parted neatly down the middle, like the Red Sea at Moses' approach.

The poor nations on one side argued they are forced to exploit their environment to produce export goods to repay crippling international debt. The rich nations on the other side refused to budge from their position, concerned for their own wealth and knowing

that much of their aid money is squandered on luxuries and weapons.

It soon became every beging bowl for itself. Rainforest countries were happy to sign an agreement on oceans so long as no one tried to chip away at their logging rights. Small island states, drowning in rising sea levels, wanted changes in the deforestation and carbon emissions that are changing the world's climate.

The rich countries were no different. The European Community accused the United States of sacrificing the environment to protect American jobs, while Canada's Premier of Newfoundland accused the Europeans of over-fishing Atlantic waters.

Filipino diplomats objected to UNCED's support of family planning to curb the earth's swelling population, and were backed by other Roman Catholic countries.

With each disagreement, the offending words in the

documents were placed in brackets, to be discussed later. In some documents, only "and" and "but" were left unbracketed. Sometimes there were brackets within brackets, and squabbles over whether a square or round bracket was appropriate.

Diplomatic history was made, according to Dutch representative Leon Mazairac, when after two days of argument a comma was put inside its own bracket.

"We are now seeing the emergence of environmental diplomacy," said Vijay Venkataswami of Mauritius. "It is going to be more dirty than any we have had before."

Maurice Strong, Secretary General of UNCED, had warned last August that if the Earth Summit fails, it must not fail quietly; it must be a resounding failure. A partial attempt to solve the ecological crisis will be useless; a good solid failure will give focus to UNCED's thorough analysis of

the underlying causes of environmental decay.

If the governments do fail at the Earth Summit, it can still be a success in human terms. Environmental lobbyists have adopted a more comprehensive view of the planet as representatives from the North and South, and the newly-formed Eastern European groups, met and talked together.

UNCED will have given non-governmental leaders from around the globe a coherent vision with which to nudge human progress forward. Five hundred years after Columbus kick-started Western expansionism, environmentalists are realising that the cultures his followers tried to annihilate are those which protect the planet's biodiversity, and contribute the most to continued human progress.

They are beginning, also, to extend this recognition, to the importance of cultural diversity for the continued development of human society. If this process bears fruit in the coming century, it might have been worth all those long, dreary nights in the United Nations building after all.

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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.

Spinning out of grip

Sir, Man can only exist in this world for a few hundred years more if he continues to pollute the environment at the present alarming rate. It is hard to believe that we are trading our future for a fleeting, fanciful tomorrow.

Man in the last 25 years or so has polluted the world more than he could in history. Industrial waste, radiation, toxic contamination, acid rains, rising seas, CFC, the ozone holes, deforestation — all these are the results of population outburst, and man's ever increasing greed; he wants more than the nature can provide for him. So, before

our world turns into an used issue, we must act to revolt against pollution.

A small but increasing number of people are getting aware day by day. But the decisions taking by the third world countries in meetings on environment to fight pollution are being somehow rejected by the rich industrial North specially by the all powerful — America. Possibly, because such a binding on the rich would put them out of business of producing lethal weapons of mass destruction. It seems to me that their weapons going to be an irony to their fate, because soon it's going to be too late.

Syed Tasbir Imam
Maghbar Dhaka

BCI, NCL and depositors

Sir, This letter has reference to your news story dt. 3.5.92 captioned 'Govt. Ignored Advice for BCI, NCL Takeover'. It says that Bangladesh Bank had advised the Government to take over the management of the two investment companies two years ago for serious anomalies in their working. But the Government refusal to act on the advice was probably based on political consideration.

Although the situation in these credit houses are identical, the two are reported to be treated differently. All operation of BCI have been suspended but NCL is reportedly being promoted to the status of a regular scheduled bank.

The question that agitates the public mind is: why this application of double standard? Is it some sort of favouritism or nepotism? Isn't it then not consistent with the repeated

policy of establishing a corruption free administration? The situation is most disturbing because huge chunk of money of private depositors and funds of even some autonomous public corporations deposited with those institutions are involved.

Abul Kalam
Basaboo, Dhaka

What are we, really?

Sir, Having watched the continuous strifes between the various political parties that led to even so much loss of lives for over the last twenty years over matters that brought nothing but more and more misery for the people of this country that we love to call "Sonar Bangla", I am now often given to ask myself this question: Who or what are we? What is so different about us that we still remain one of the poorest, least literate, least developed (but most developed

populationwise) countries in the world when other countries continue to prosper?

Could it be that what Tagore had said in one of his immortal poems about us still holds true? Tagore wrote "Shat koti manusher hey mugdha jonone, rekhecho Bangalee korey — manush korani". Please pardon my translation — it says, "oh mother of seven crore people, you have made us Bengalee but not man." This was written some 60/70 years ago. But it is so evident that what Tagore said 70 years ago still very much applies!

Can some one comment, please?

'A disillusioned citizen'

Ghazals

Sir, At present, most people especially the young folks prefer to listen to high watt music. There are of course

other listeners from all ages who would love to listen to soft sentimental music. Lately, the demand for the old English country and sentimental songs have increased tremendously.

There are people who very much appreciate ghazals. The other day I was reading an appreciation of a recent ghazals album titled — "Sajda" which was published in an English language weekly. Incidentally I purchased 'Sajda' immediately after it was released. Sajda or 'Offering' has indeed retained its name in its content. Lata Mangeshkar and Jagjit Singh (two of the greatest voices of this sub-continent, presented six solos each and four duets. All the ghazals, I am sure would touch the hearts of the listeners. I fully agree with the weekly's view that 'Sajda' is an indispensable addition to any music lover's collection.

M Zahidul Haque
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