

### Dhaka-Tehran Co-operation

Iranian Foreign Minister Dr Ali Akbar Velayeti's quiet visit to Bangladesh appears to be more business-like than many such ministerial tours scheduled earlier to cover well-defined areas. It mattered little if the diplomatic protocol was strictly followed or not, but one gets the distinct impression that both Bangladesh and Iran are keen on covering a whole range of issues — both outstanding and potentially beneficial for them. The fact that Velayeti has come up with some specific proposals is a strong indication of the positive turn in the bilateral relations between these two nations traditionally bound by cultural and historical ties. No doubt, Bangladesh is going to equally reciprocate this.

Iran, under Hashemi Rafsanjani, is quietly moving towards liberalism and in Iran's relationship with other countries this is being amply reflected. That liberals in Iran are gaining ground removes the suspicion that Iran exports its ideology along with its expansion of bilateral ties. For centuries Iran has had enjoyed a nice rapport in its relationship with this part of the world. The ideology crunch never really stood in the way of mutually benefiting peoples in the region. This time the new offers by the Iranian foreign minister stand the chance of being seriously scrutinised and evaluated for the right action.

As for the co-operation in airlines and shipping, the two sides can indeed simplify the rules and regulations for smooth operation of the two agencies between Iran and Bangladesh. Other forms of economic co-operation on the agenda can receive a boost if they mean business. But the most nagging problem with potential unpalatable consequences between them is the status of 10,000 illegal Bangladeshi workers in Iran. Bangladesh has pressed for the legalisation of these workers by the Iranian government. Iran should understand Bangladesh's concern. But then the Iranian foreign minister's praise for the Bangladeshi doctors working in Iran as also his interest in further recruitment of medical practitioners from Bangladesh are, at the same time, both bad and good news. Good news, because the quality of our medical men are up to the required standard or perhaps more. Bad news, because Iran is not equally keen on offering jobs for professionals in other specialised areas. But Iran can indeed fill a part of its demand for foreign workers by the Bangladeshi recruits — skilled or semi-skilled.

As for the Iranian foreign minister's proposal for Bangladesh joining the Economic Co-operation Council (ECC) of which Iran, Turkey and Pakistan are full members along with some of the newly emerged countries from the former Soviet Union, there is a lot to be considered before accepting it or not. But there is certainly merit in the move for establishing an Iranian bank in Dhaka. To make it a two-way channel, a Bangladeshi bank should also be set up in Tehran. This in turn is going to facilitate not only the direct transaction of remittances earned by Bangladesh nationals working in Iran but also provide a boost to trade and other economic activities between the two countries.

In the light of the historical and cultural bindings of the past, let all the issues on the agenda be given a careful consideration for necessary action. As the situation stands now, Iran is undergoing a transformation after its devastating war with Iraq. For Bangladesh too this is a crucial time — a transition from chaos to democratic order. And the need of consolidating their achievements in different fields, for both of them, is highly important. So their relations should be good, solid, businesslike and pragmatic.

### Lift the Embargo

With a section of western media, including some leading US newspaper, paying compliments to Vietnam for liberalising its economy and demonstrating its growing interest in opening its market to the outside world, the continuance of Washington's trade embargo against Hanoi is both unfair and out of date. Although the United States has authorized some improvements in communication, thus letting American journalists to travel to Vietnam, and some non-profit making activities, the US policy is certainly obstructing Hanoi's efforts in rebuilding the country's economy, with emphasis on the operation of market forces.

While the US ban on economic relations with Hanoi remains in force, several aid agencies, like the Asian Development Bank and the World Bank, are unable to give the war-torn country the assistance it needs.

Now that Vietnam has withdrawn from Cambodia, the only issue which stands on the way of normalisation of ties between Washington and Hanoi relates to the fate of US soldiers Missing-in-Action (MIA) during the war. Washington can no longer complain that Hanoi has not been co-operating in the search for remains of dead US men or for any living ones. Generally speaking, the US media and experts from the US administration regard a further search as futile. In short, the matter should be closed.

With the US trade embargo against Vietnam unlikely to be lifted "until next year", to quote a view of the International Herald Tribune, Hanoi will look at other directions for economic support. Joint ventures with several countries, especially Japan and Australia, are being signed every month, while trade with members of ASEAN keeps growing fast. Meanwhile, former Singapore Prime Minister, Lee Kuan Yew, a recent visitor to Hanoi, has predicted that "Vietnam will leapfrog to prosperity," a statement that Hanoi will certainly use to attract foreign investment. It serves no purpose for Washington to find itself in a minority in a world where it should work with allies and friends.

# Lessons on Disaster Management from the 1991 Cyclone

by Shapan Adnan

THE cyclone of April 1991 did not come without warning. Agencies and institutions concerned with both pre-cyclone preparedness and post-cyclone relief and rehabilitation were alerted in reasonably good time. Nonetheless, over one hundred thousand people died during the cyclone and the weeks that followed, and assets worth billions of taka were damaged or destroyed. Could these losses and casualties be reduced with better disaster preparedness and management? Putting it another way, what were the factors determining the extent of success or failure of the cyclone preparedness and post-cyclone relief and rehabilitation programmes?

### Cyclone Protection and Preparedness

Most of the sea facing coastal embankments had been in a dilapidated state well before the cyclone struck. Long stretches were reported to have been completely missing or considerably damaged. Indeed, the fact that the coastal embankments were breached by the storm surge at numerous points also indicated that the construction and maintenance of these works had been faulty. There were many allegations about misappropriation of the funds which had been allocated for embankment construction and maintenance prior to this disaster.

Despite grandiose plans to build 2000-3000 shelters covering the entire cyclone-prone belt, only a fraction had been actually completed. Even the few shelters that existed had not been properly maintained. Most of these also lacked drinking water and sanitation facilities, as well as stocks of emergency food and medicine.

There were critical limitations in the organizational arrangements for preparation and protection against the cyclone. In this sense much of this tragedy was virtually unavoidable. Thus, even if the

existing cyclone warning and preparedness system had worked perfectly, it would still not have succeeded in providing adequate protection to most of the people in the affected areas. For example, over 90 per cent of the people of Sandwip would not have found room in the island's eight cyclone shelters, even if they had all wanted to. In effect, the existing cyclone protection system, with its 300 odd shelters scattered across the estuary, provided a rather deceptive sense of security.

### Post-cyclone Disaster Management

Attempts to reach the genuine victims of the cyclone was not always successful. The process of effective relief distribution was critically constrained by several factors and malpractices which were frequently social, organizational and institutional in nature. About a week after the cyclone, provisions and materials began to pile up at the wrong places, eg. roadsides, boat terminals, and airports, rather than reaching the affected areas. The crux of the problem was not only the shortage of relief goods, but also the lack of effective transport and coordination to deliver these to their destinations.

One kind of problematic situation arose from the practice of what might be described as 'roadside' relief distribution. Workers of agencies bringing in relief goods could not, or would not, go beyond points up to which their motorized transports could reach. Sometimes, this was because they were simply not prepared for moving on foot and physically carrying their relief materials for distribution to the rural interior.

In other cases, relief convoys and aid workers from outside were pressurized and discouraged from going any further by elements of the local mafiosi who wanted to 'take over' the relief goods in order to 'distribute' it themselves. In extreme cases, looting and

forceful takeover of relief goods, as well as collection of 'contributions' (chanda) or protection money by gangs were reported.

Another kind of problem involved alleged negligence of duty by certain relief agency workers. There were reports of such personnel failing to arrive in assigned areas, not providing the kind of services expected, or leaving much earlier than scheduled because of lack of proper accommodation and living conditions. In some cases, people ostensibly carrying assistance were found to be less interested in reaching these to affected areas than in getting themselves photographed while doling out 'roadside' relief. Comparable reports were made about many of those contributing to public relief funds with much fanfare and self-seeking publicity.

A particularly disturbing consequence of processes such as the above was the 'duplication' of relief distribution. People close to the main road or other convenient points of disembarkation often received assistance more than once, whereas those living in more remote and inaccessible belts continued to remain systematically 'excluded' from relief activities.

Even in areas where, so to speak, relief and assistance had managed to 'arrive', problems of improper distribution still remained. Available reports suggested that at least a significant proportion of relief did not reach the cyclone affected 'target groups' for whom they were intended, but rather were diverted to other purposes. Apart from the consideration that there might not have been enough to go around, it was alleged that a wide range of malpractices was also at work.

Aid-giving agencies often involved the Chairman and Members of the local Union Parishad (UP) to help them in the distribution of relief goods since they were regarded as

knowledgeable about the conditions of those affected in the locality. Ironically enough, a very common allegation was that such local government functionaries used their prerogative on the distribution of relief materials to demand bribes from the recipients.

Malpractices took many other forms. One involved the misuse of 'relief cards' in the name of allottees against which certain NGOs and the Red Crescent Society provided a regular ration of goods. It was reported that such cards were also made in the names of people who were not affected by the disaster. Furthermore, some of these were 'sold' in return for a 'price'. Relief materials, particularly expensive goods such as special clothes and baby food, never reached the cyclone-affected. Rather, these disappeared into the void of the blackmarket. Similarly, misappropriation of wheat by concerned functionaries who sold it on the blackmarket was perhaps the single most frequent allegation made by ordinary people against the way in which relief, rehabilitation and reconstruction programmes were being conducted.

However, not everything could be blamed on such malpractices. It is important to face up to the question that simply giving things is not enough if the recipients do not have sufficient holding power to retain them. They might well be compelled to sell relatively expensive items on the market in order to meet more pressing demand in terms of basic needs. Under such limiting conditions, surviving a few days more with cheaper subsistence can indeed become the overriding consideration. Such considerations might well explain why the emergence of blackmarkets in goods which have been brought in as humanitarian aid can often become the unintended — if not altogether

inevitable — consequence of disaster relief programmes.

### The Cases of Women, Children and the Weak

Women, children and the elderly faced special problems, because the manner in which relief goods were distributed was often unsuited to their needs. Relief camps typically did not, or could not, make separate provisions for women, nor ensure that children received their share of the assistance, eg. by handing it over to the care of their respective mothers. Food and clothes brought in as relief were usually unsuitable for children; in particular, baby food was virtually non-existent. In any case, women, children and the weak were usually pushed out, or came systematically last, whenever there was a rush to grab a share of available relief. In the distressing cases involving orphans, the sick, or the elderly, the already overstretched relief distribution system could typically display little sensitivity or preferential consideration.

### External Dependence

While the absolute shortage of resources is a critical factor determining Bangladesh's habitual dependence on foreign aid for disaster relief, there are also other responsible factors related to the way in which such resources are eventually distributed which should not be overlooked. Evidence from this cyclone has shown that there are vested interests which positively thrive upon the business of 'procuring' relief materials in order to 'divert' them away from the cyclone-affected. These undesirable 'beneficiaries' of disaster relief include: unscrupulous traders and blackmarketeers out to make a quick profit; dishonest bureaucrats, fieldworkers, local government representatives and non-governmental functionaries involved in relief administration and distribution; criminal and lumpen elements which emerge at the time of disasters to extract

'bribs and protection money' from relief convoys; as well as corrupt agencies and officials entrusted with the construction, operation and maintenance of shelters, coastal embankments, roads and communications related to cyclone preparedness and protection.

These diverse elements nonetheless constitute a formidable 'coalition of forces' with structurally deep-rooted influence within various government agencies, international donor organizations, NGOs, local self-government institutions, trading concerns and business houses, etc. Such a constellation of forces could potentially sabotage any move towards reducing Bangladesh's reliance upon external assistance at times of disaster. Equally, the vast multitudes of the destitute, constituting the majority of the cyclone-affected, are only but rarely in a position to challenge and expose these vested interests involved in malpractices related to relief distribution and disaster management.

It is unrealistic to expect that there will be dramatic improvements in this alignment of forces in the near future, leading to greater possibilities of self-reliant disaster management in Bangladesh. Nonetheless, there appears to have been some kind of a 'learning process' at work among people and institutions, based upon their experience, losses and mistakes during the catastrophe. All those agencies and individuals who have, in a sense, paid for their negligence and lack of responsibility during the cyclone of April 1991 might be expected to be much more careful and better prepared on the occasion of future disasters. However, this expectation will be realized only if a tradition of public accountability, involving impartial enquiries leading to punitive actions against negligent and dishonest functionaries, is firmly implanted within the agencies concerned with cyclone preparedness and post-cyclone disaster management.

## THE ECONOMIC SCENE IN BANGLADESH—II

# Remedies Call for Hard Options in All Fields, from Budget Reduction to Banking Reforms

by A K N Ahmed

The following important remedial measures emerge out of the brief discussion of our economic problems:

**REDUCTION OF BUDGET DEFICITS:** Government should be able to reduce its budget deficits quickly as much possible. It is understood this is also demanded by World Bank-IMF for providing more financial assistance to Bangladesh. If the Government has to go about this business, it has to seriously consider reduction of the level of subsidies and defence outlay, and trim its revenue expenditure. Additionally, Government has to reduce its existing and potential interest burden on account of loans contracted from creditor agencies and banking system. Debt burden of Bangladesh is reported to have crossed the safety limit.

**REDUCTION OF INTEREST RATES:** There is a strong case for reducing the interest rate because — (a) World interest rates particularly in USA have declined and are declining and if we do not cut our rates, our production and export will become relatively costlier, and the balance of payments will further worsen. (b) Lower interest rates have only a marginal negative effect on saving especially when the whole structure is lowered. (c) Lower interest rates have a positive effect on investment and income — and through income a positive effect on saving — and are currently necessary to tone up our capital market and to eliminate pockets of recession. (d) Interest rates cannot be kept high all the time and should be lowered in times of low inflation in order that they can be used again as a leverage when inflation returns.

Government should therefore try to rein in inflation, bring down its rate by fiscal discipline. Once inflationary expectations have been squeezed out of the economy and monetary stability has been restored, interest rate should be brought down and the present distortion between short term and long term interest rate should be removed to create a favourable climate for investment. This should be done as quickly as possible.

This is the second of the three-part series on economic problems of the country by a former Governor of Bangladesh Bank. The final instalment will be published tomorrow.

**POLICY TO GIVE A BODY BLOW TO BLACK MARKET:** This is essential economically not only to make monetary control more effective but also politically to give relief to the general public and make the Government more credible in their eyes. With this in view, the Government should identify the commodities in which supply response to higher price is likely to be substantial and either decontrol such commodities or evolve dual prices (partial decontrols) as has been done in case of food-grains and sugar, cement etc. It is also necessary to change and keep changing the hitherto routine list of priority, key or essential industries

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tries in which there is an enduring shortage of supplies in relation to demand and to take steps to bring about larger investment and production in those lines except in cases where demand is sought to be restrained for social reasons.

Then again, as the real estate market now is the primary source of illicit income it is necessary to increase the supply of urban lands and buildings as well as rural houses for low-income people. This can be done by setting up more housing banks, co-operative societies and giving push to Gramscen Bank Scheme for financing shelters for their customers. A roof over the head of the poor people is not only a shelter. It is also his home and work place. Sri Lanka Government has done commendable work in this area by setting up a Housing Development Authority for construction of cheap houses in the rural area and has been

able to mobilise funds from ADB, US Aid and other international agencies for financing its activities. It is perhaps worthwhile to set up similar organisation in Bangladesh. Such a measure will also generate a lot of economic activities in rural areas.

Government should also take steps to substantially reduce control points in the economy. Black income from graft, bribery and other corrupt practices arises largely because someone at a control point is in a position to hold up a proposal and such control points in our country have only proliferated over the years. Key economic ministries of our

reduce marginal rates of taxation both for individuals and companies and to rationalise indirect taxes. Side by side new taxable activities should be identified. Simplification of tax structure, lowering of taxes and identification of new areas of taxes and bringing in more people within the fold of tax system will reduce tax evasion and plug in our source of black money.

**LARGER ALLOCATION OF RESOURCES TO LOCAL BODIES:** Not only larger allocation of resources should be made to local governments but better arrangements for them to raise their own resources also be made. It is understood a 17-member review commission for local governments has been set up by the Government. But its composition and terms of reference should be scrutinised once again to ensure it represents the people who are concerned and whether it would be able to deliberate all aspects of the problems involved.

**IMPROVEMENT IN THE DELIVERY SYSTEM OF INFRASTRUCTURAL GOODS:** The existing bottlenecks, interruptions and irregularities in supply of these products and services must go. Actual power supply is now reported to be 1200 megawatt against a demand for 1800 megawatt. As a result, it is becoming an erratic load shedding more common, system loss almost endemic. Forward planning for expansion of power supply and execution of new power projects are almost at a standstill owing to unwillingness of World Bank to provide more finance for this sector for failure to keep our commitment. It is the same story with our railways. Oil refining by our only refinery is interrupted because of lack of timely supply and import of crudes. Power pumps could not be operated in North Bengal in full strength for irrigation due to short supply of diesel. Result: Interruption of production in Boro crop even though more production of rice in dry season through irrigation is now the only hope. These and other bottlenecks should be removed on priority basis to avoid dislocation in other sectors.

**REDUCTION OF TAXES:** It is necessary to

## 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.

### "A Tale of Two Cities"

Sir, "A Tale of Two Cities: Points of Priority" — an article published in your April 24 issue was worth piece of reading. I read the article with great interest but there were certain points on which I could not agree with Mr Tofazzal Hussain. In describing the condition of Calcutta these days he wrote "the road was full of potholes, footpath broken and garbages heaped by the side of open drain almost everywhere". He gave an explanation for this. The reason is that the West Bengal Government has diverted all its development fund for the progress of the villages and as a result tremendous improve-

ment has been achieved in that area. Now the farmers, share croppers, the labourers have two square meals a day. This is indeed what a nation should do in order to fight poverty.

But in spite of supporting and appreciating the West Bengal Government's policies I cannot appreciate the condition Calcutta city has fallen into now-a-days. From Mr Hussain's article, cleaning of garbage and repairing of roads seem to be a work of development. But I think it is a matter of hygiene and safety respectively. The city dwellers pay taxes and two thins the municipality must look into is regular disposal of garbage and maintenance of roads. I think that maintenance of a city's ba-

sic facilities should not be confused with 'development'. Dhaka city, of course, did not require the 'beautification' it underwent during Ershad's regime, but it does require regular maintenance of necessary facilities like garbage disposal, repair of roads, water supply, electricity supply etc. This is the right of every city dweller who pays taxes.

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### Dhaka's suburbs

Sir, What Malir is important for Pakistan's port city of Karachi, Savar is for Bangladesh's capital city of Dhaka. Malir supplies the entire requirement of vegetables, poultry, local seasonal fruits to the nine million city dwellers of Karachi.

Dhaka's Savar and many other suburbs are hundred times more fertile, productive and cultivable than Malir.

Dhaka is surrounded by rivers, rivulets and canals but unfortunately almost throughout the year most of the land is lying unutilised and barren for water scarcity, division and fragmentation of land, lack of road or waterways communication, want of irrigation facilities and above all absence of any planning. It appears that we are only interested in the development and the so-called beautification of Dhaka city.

Savar and other suburbs can meet the entire requirements of vegetables, meat, fish, milk, poultry and fruits for the city dwellers. Many of the surplus items can also be exported to the Middle East and Central Asian countries. The inhabitants hope that the people's government may kindly think over the matter and draw up a scheme for the development of agro-vegetable-fishery-animal husbandry and forestry in the private sector for Greater Dhaka.

O H Kabir  
Dhaka

### Fenchuganj Fertilizer Factory

Sir, A news item about the closure of Fenchuganj Fertilizer Factory has caused resentment in the public mind. It appears that the news was out of context as well as premature. Other than the production facility the premises contain assets and properties belonging to the state worth several hundred crores of Taka which would remain unutilized according to that information.

It is true that a factory or a system of machinery and equipment has a limited life after which it would either be expensive to operate it or new technology would overtake the process. The Fenchuganj factory has really become obsolete. New processes in the later day factories, e.g. Jamuna Fertilizer Factory consumes much less natural gas to produce Urea than the Fenchuganj one. But in our context the setting up of a factory involves development of social infras-

structure as well. That alone accounts for substantial part of the capital investment.

Now if Bangladesh has no plan to set up another Urea factory in foreseeable future the production facilities at Fenchuganj will have to be abandoned in favour of lesser valued uses. Otherwise facilities at Fenchuganj can be used and only some plants and equipment are to be replaced for a modern process. Such a decision would not only take advantage of the residential accommodation, schools, markets, roads and bazaars but as well the skill and the technological bias of the area where a factory existed for so many years.

But as mentioned above, the news item must be incomplete and that has already caused some bitterness including a general strike. The authorities should come out with clarification giving the full picture including the plan for the future use of the residual facilities.

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