

What is the Way-out from the Poverty Trap for Bangladesh?

A few years ago while travelling in China, I met an English woman in Beijing who, after some preliminary exchanges of background information, asked me point-blank: "Why is Bangladesh so poor?" A bit startled by the directness of the question from a total stranger whom I had met just a few minutes ago during a conducted tour, I responded with another query: "Why do you pose such a question? Do you have personal knowledge of the country?"

It transpired that the curious woman had a daughter who, upon graduation from a course in Tropical Medicine from the London University, had gone to Bangladesh to pursue her area of specialisation. But the young graduate's intentions were unfulfilled as she had to spend so much time tending to the common illnesses afflicting huge numbers of patients under her care that she had little time or energy left for her original goal. Thus, she left for home frustrated and overwhelmed by the magnitude of problems caused by the grinding poverty which she had been exposed to for the first time in her life. With this explanation, it was easy enough to understand the feelings which prompted the forthright question.

For the fortunate citizens of developed countries who would like to know the underlying causes which propel Bangladesh on the world's conscience by TV images of ravaged landscapes after a fierce cyclone and its consequent grim pictures of the traumatised victims, fighting against horrendous odds for survival, "From Crisis to Development" contains detailed facts and figures.

For all involved in the never-ending scene of development, the book gives keen analytical information as to the why and wherefore the country continues to wage a tough battle against a chronic imbalance of payments, a high illiteracy rate, low per capita income and an explosive population growth with its chain of related headaches. And for the somewhat disheartened war-weary champion of luckless humanity, the book offers some rays of hope, that the situation, though still grave, does show promises of improvement. For after all, this brave young country has staggered through the devastation of its war of independence when its intellectual and physical assets were stripped to the bone, followed soon after by a stark famine, then two huge floods in the '80s and a catastrophic cyclone last year — all in the short space of 20 years.

"From Crisis to Development" is a collection of articles on the manifold aspects of development and disaster management written by the country's distinguished practitioners and scholars on these subjects; such as Atiur Rahman, Muhammad Yunus and Jowshan A Rahman. They also include representatives of donor countries (without whose unstinting help Bangladesh would have found its fight for survival as a nation infinitely hampered) such as the Canadian High Commissioner, Emile Gauvreau and UNICEF's former country representative, Cole P Dodge.

The 1991 cyclone in exhaustively analysed with chapters ranging from survivors' graphic description of the

FROM CRISIS TO DEVELOPMENT

Coping with Disasters in Bangladesh



Hameeda Hossain • Cole P Dodge • F.H. Abed

Book Review

From Crisis To Development

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Reviewed By Nancy Wong

horrifying event to the problems of relief distribution to the role of the gallant marines of Operation Sea Angel. The cyclone with its accompanying tidal surge of 29 April '91 was the severest since that of November '70 which claimed 500,000 lives. Comparatively fewer lives were lost in last year's disaster although the cyclone's fury was of similar intensity — which shows that the capacity to cope with natural disasters had improved considerably over the past 20 years. It was also a test of the newly elected government which, to its credit, responded with speed and efficiency on the whole. The government placed ministers in charge of the affected areas. In the worst-hit upazilas, state ministers were requested to oversee relief operations. This was an unprecedented step which indicated that the government was willing to hold itself politically accountable.

All sections of the population from students to ordinary people to truck drivers answered the clarion call to help their affected countrymen, and was augmented by professional aid from NGOs and international relief organisations. This all-out effort was certainly responsible in preventing the disaster from claiming more lives than it actually did. Analysts pointed out however, that the suffering and human losses could have been further diminished if the cyclone warnings were issued in a manner more comprehensible to the ordinary people. As matters stand, they were worded in maritime language and related more to port safety than human lives.

An excellent suggestion is made that the anniversaries of killer cyclones 1970 and 1991 be commemorated — to mourn the dead and more urgently to educate the public as to the exact meaning of the various cyclonic signals as well as disaster preparedness.

Undoubtedly, the insufficiency of cyclone shelters, some of which were miles away from habitation played a large role in the death count. Scepticism and ignorance of the grave nature of the warnings compounded the situation. Other shortcomings included lack of co-ordination in relief distribution, the army's

"go it alone" style in handling the crisis and sheer negligence on the part of certain elements which resulted in the loss of expensive equipment in the Chittagong port and airport are detailed.

After an exhaustive analysis of the cyclone of 1991, the book proceeds to a thorough examination of the country's 20 years of development. This section gives a sympathetic as well as an in-depth account of the multi-faceted challenges of Bangladesh's survival as a nation. There are many enlightening chapters on how the different government tackled the development policy, growth process and coping with recurring natural disasters.

These are extremely well researched and detailed statistics and facts support their findings; all involved in such areas will find them stimulating and informative. There are figures and graphs to explain breakdowns on minimum human requirements of the poverty-ridden masses (how many are aware of the fact that millions have only two pieces of clothing to wrap around themselves?).

For those not familiar with the historical beginnings of the two premier development institutions — BRAC and Grameen Bank, these are given in perspective. The role of women (often relegated to the background in this male chauvinistic society) both in nation building and crisis coping receives due emphasis — in its plus and minus sides.

There is a wealth of information regarding the multifarious aspects of the economy; such as efforts to industrialize, their challenges and pitfalls; the garment industry, labour — a prime ingredient in all ventures. The agricultural sector with a scholarly chapter on "Rich Environment and Extreme Poverty" will be of interest particularly to economists, with its painstakingly researched tables of statistics.

With the government committing itself to primary education for all by 2000, this important area is analysed incisively. Compared with its neighbours, Bangladesh, alas, shows up as a dismal performer. Gustavson's 1991 review of primary education

notes that "80 per cent of all rural households have not one member in the family with a complete primary education. The extremely poor families (more than a third of the population) hardly send any of their children to school." The chapter on education is an eye opener in many ways and all involved will find it beneficial.

After all, if one has a pool of educated labour force, this can work miracles for the economy as a whole. A great deal more needs to be done to improve not only the availability but quality of primary education. This chapter shows clearly existing shortcomings and viable changes.

Bangladesh is hardly a country blessed with rich natural resources. As Rabindranath Tagore so poignantly points out: "Fate allowed humanity such pitifully meagre coverlet, that in pulling it over one part of the world, another has to be left bare." Yet, its people's capacity for survival under brutally harsh conditions (especially in the rural areas) is awesome. The world being a "global village," numerous countries have come to lend a helping hand.

In addition, hundreds of NGOs — both local and international, are in the forefront of development projects and they have played a crucial role in disaster management and its recovery process. Some pertinent questions are fielded: Have the powers that be made maximum use of donors' aid and how effective has aid been in making the lot of the poverty-stricken a better one over the years? These and many cogent queries are asked and tackled in an illuminating chapter: Dilemma and Challenge by Emile Gauvreau and John B Mendes. It is up to those holding the political reins to harness the people's considerable will not only to survive but to prosper in making the most of the abundance of goodwill. For, like the mythological king of Corinth who was condemned to push a heavy rock up a steep hill in Hades, only to have it pushed down when nearly at the top, Bangladesh has to do the same each time disaster strikes. On the other hand, it is within the country's power to rise like a phoenix out of the ashes of ruin.

Aluminium, the Green Metal

In garbage dumps across the world, there is an aluminium mine waiting to be exploited. From New York to Manila and the infamous Smokey Mountain rubbish tip in the Philippines, poor people collect aluminium cans to sell for recycling.

It is a subsistence activity, providing work for those who would otherwise have to beg for food on the streets. US recycling companies pay US\$0.56 for every pound of aluminium collected.

In the United States it is the very poor and the very rich who recycle their aluminium beverage cans, according to Reynolds metals, a major US aluminium recycling company. In 1989, 49.4 billion used aluminium cans were collected in the United States, and US \$900 million were paid out to collectors. A new record of nearly 57 billion cans were recycled in 1991 largely because of environmental concerns and also due to the fact that it has become big business.

The poor recycle because of necessity, while the rich do it out of fashionable concern for the environment.

Because a considerable amount of energy is used to extract aluminium from bauxite, some label aluminium a wasteful product. But industrialists see it as a green metal. Aluminium only takes about five per cent more energy to recy-

cle, and the investment in plant equipment is one-tenth that of a primary smelter. Although expensive to produce, its value is retained, and therefore worth recycling.

Energy equivalent to the calorific value of half a can of petrol is saved every time an aluminium beverage can is recycled. One tonne of remelted aluminium eliminates the need for four tonnes of bauxite and 700kg (1,540lb) of petroleum, coke or pitch, reducing emis-

sions of polluting aluminium fluoride by 35kg(77lb). Apart from environmental benefits, recycling makes economic sense. Even when collection and remelting charges are considered, beverage cans made from recycled material cost only about three-quarters as much as containers made from new can sheet.

Industrial use of aluminium also benefits from recycling. In Europe and the United States, almost 70 per cent of the metal used in electrical engineering, building and transport comes from recycling. In 1990, 4.5 million tonnes of new aluminium was produced from scrap in the Western world. The richest alu-

minium mine in the world is a self-replenishing one," says a Reynolds spokesman.

The US experience in recycling aluminium over the last 20 years is now being applied in Western Europe, and large-scale recycling is being considered in many Asian, Latin American and Eastern European countries.

Japan is a case in point — being the second largest importer of primary aluminium (2.3 million tonnes in 1989)

Recycling aluminium cans has become a staple among green-minded But industries have discovered it also makes good — and profitable — business sense. And Spicer of IPS reports.

and the world's largest consumer (2.16 million tonnes). It produces only 35,000 tonnes a year from its open remaining smelter (ten years ago it produced one million tonnes annually but changed track after the oil shock of the 1970s).

Still, Japanese recycling is in its infancy, although large-scale plans are afoot to cut down on its imports, which come from more than 50 countries.

Manufacturing is also changing its attitude by designing products to be recycled. Recycling becomes costly when goods are made of more than one material — it is sorting that adds cost.

Automotive companies are also now designing cars with an eye to making them easier and cheaper to produce. Some industry insiders even predict this design element will become more important in the future.

One of the first US companies to realise the potential for recycling was Reynolds Metals. It started to pay the public for used beverage cans in 1968. Since then the business has expanded from one million pounds of aluminium a year in the late 1960s, to more than the same amount per day this year.

Customer convenience is the key to this success, says Reynolds, which operates 725 buying locations in cities and mobile units in supermarket car parks. In the whole United States, there are 10,000 aluminium can recycling centres that have created 80,000 jobs in the last decade.

One of the most innovative schemes is "reverse vending machines" which, rather than selling canned drinks, take in used cans and give out cash in return.

The oil price rises of the 1970s was the initial stimulus for recycling, but new material technologies and concern for the environment will see the secondary aluminium market take a more prominent place in the future. — IPS

New Energy for Brazil's Sugar-Cane Fuel Programme

by Patrick Knight

BRAZIL'S pioneering fuel programme, in which four million of the country's cars are powered by alcohol distilled from sugar-cane, is in the doldrums.

The fuel programme was set up with great fanfare in the late 1970s, when the high price of oil threatened to bring the country to a standstill.

The sugar-cane fuel sold for three-quarters of the price of petrol and, a couple of years ago, nine out of 10 new cars were fitted with alcohol-burning engines.

But rather than continuing to rise, as seemed likely a decade ago, the price of oil has fallen steadily. While the cost of distilling a barrel of alcohol has been cut from US\$70 to less than US\$50, the price of oil can sometimes dip below US\$20 a barrel.

The sugar-cane industry claims it costs more to produce alcohol from the cane than the government allows it to charge for the result, and production has stagnated.

But the key to reviving the flagging industry could lie in more efficient production of the electricity that is generated from leftover sugar-cane waste.

Demand for the sugar-cane fuel has continued to rise and last year the industry found itself in the embarrassing position of not having enough to meet the need. More than a billion litres of methanol fuel had to be imported to keep the cars running.

To produce the 13 billion litres of alcohol fuel set as a target, as well as to refine the

7 million tonnes of sugar consumed in Brazil each year, close to 30 million hectares are planted with cane each year. This is equivalent to three-quarters of the land on which all of Brazil's soya, maize, rice, cotton and bean crops are grown.

Last year's ideal weather produced a record crop of 235 million tonnes of cane, a third of the world's total. To put that in perspective, the second largest producer, India, grows a little more than 100 million tonnes a year.

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Brazil spent about US\$2 billion to set up the alcohol fuel programme, but the industry has not been able to make enough profit in recent years to pay off the industry has not been able to make enough profit in recent years to pay off its debts.

The widespread use of sugar-cane fuel has been criticised by oil companies. They say that if the money spent on setting up the programme and subsidising the fuel had been spent searching for oil, the country would now be close to self-sufficiency.

Brazil invested in an extensive 10-year exploration programme and now produces more than half the oil it consumes. Major offshore finds of

oil mean self-sufficiency could become a reality.

Now, ironically, the alcohol programme produces the fuel the country least needs — a substitute for petrol. Because of the alcohol programme, Brazil finds itself exporting large quantities of petrol each year, while importing some diesel fuel to power the country's trucks.

In the process of distilling the alcohol and refining the sugar, 55 million tonnes of sugar cane waste — bagasse — is produced.

Over the years, the industry has progressed from buying half the electricity it needs to generating more than 90 per cent of it by burning bagasse, and selling some surplus power as well. The remaining bagasse is sold to other industries, or used to feed cattle.

However, electricity has also been subsidised and those who generate it privately have been paid only about a third of what it costs to produce. But subsidies are being cut.

To survive without subsidies, the alcohol industry will have to become more efficient. While the development of new varieties of cane and improvements in the refining process have cut the cost of alcohol fuel, it still remains consider-

ably more expensive than oil. It has been calculated that the cane could produce as much as 10 per cent of Brazil's electricity, some 4,000 megawatts (MW), if all the 55 million tonnes of bagasse were burnt in the most efficient boilers available.

And if the industry was paid a proper price for it, it could earn up to \$1 billion a year — more than half the industry's current earnings.

At the moment, standing sugar cane is burnt in the fields to remove its sharp leaves and kill pests. This reduces its weight by a quarter, with half its calorific value going up in smoke. Burning cane makes manual cutting, which employs 750,000 workers, far safer than if unburnt cane were used.

If burnt cane was used to produce electricity, 2,000 MW could be generated, earning US\$200 million. But if the cane was cut by machine before it is burnt and a gasification process used, more than twice as much power could be generated.

Even without the possibility of generating electricity, there is already a great deal of interest in Brazil's alcohol from sugar cane programme among the oil-scarce countries around the world that possess the large areas of land on which cane could be grown.

Now, as new technology is developed, the third by-product of sugar cane — electricity — makes the crop even more attractive. — PANOS

Rao Imports Wheat to Feed Teeming Millions

by DK Joshi

A n air of foreboding hangs about the unfolding food situation in India. The monsoon had a delayed and erratic start. The Meteorological Department has predicted that it "will be on the lower side of normal".

This disquieting warning comes in the wake of perilously low food stocks, especially of wheat, in the government warehouses and the likely decline in food production in 1992-93.

Estimated food grain production in 1991-92 is only 170.5 million tons against the targeted 180 million tons. It is expected to be around 170 million tons in 1992-93, though the target fixed is 182 million tons.

The government of Prime Minister Narasimha Rao recognises that what is at stake is its economic reform strategy. Discontent over food scarcity and high prices may shake popular confidence in its efficacy.

In June, the stock of food grain in government warehouses was only 15.3 million tons, nearly four million tons

Fear of an impending food crisis comes despite a good monsoon for four years in a row. Average food output was 170 million tons a year, a quantum jump from around 140 million tons in previous years.

Until recently it was believed India had left behind the nightmarish period of food

problems in the agricultural sector have not received serious consideration.

The growth of agricultural output in the 1980s has, no doubt, been good, but there is little in terms of sustained growth. For example, the output in 1991-92 (170 million tons) is less than in 1989-90 (171 million tons).

India is not producing enough to feed its growing population. Food grain production in 1991-92 fell 10 million tons short of the target. New Delhi had to import food. Discontent over food scarcity and high prices may shake popular confidence in the government of Prime Minister Narasimha Rao. What is at stake, reports Gemini News Service, is the government's economic reform strategy.

scarcity and humiliating food imports of the late-1960s and 1970s. In fact, the euphoria over food self-sufficiency was so great that New Delhi even planned to export grain. But a short monsoon in 1991 completely upset government calculations. It brought in its wake conditions of drought and food scarcity in different

In addition, there is increasing regional concentration of growth in output and marketed surplus. The northern region has become more dominant over the years.

Moreover, growth in output has not come from any extension of cultivated areas but from yield increases; agricultural investment has shown a

sector are anything but promising. As the limits to growth from Green Revolution technologies are approached, there are no new technologies on the horizon. The scope for relying on expansion of irrigation is smaller than in the past.

The Bank believes that a decline in capital formation in the agricultural sector and growing expenditure on subsidies, which is "crowding out" resources available for productive investment, are two main factors which have held up agricultural progress.

In 1989-90, subsidies for food and agricultural inputs were Rs 135 billion (3.1 per cent of the GDP) as against public investment of only Rs 110 billion.

The Bank recommends extension of the economic liberalisation policy to agriculture. However, experts warn that relying solely on the output price incentive may lead to a situation in which prices keep rising but growth impulses remain low. They consider land reforms a key to India's agricultural problem.

India is caught in the vicious circle of poverty, a high rate of population growth and the declining productivity of land. Out of a total potentially productive area of around 264 million hectares, nearly 175 million hectares are subject to degradation. Already 90 million hectares have suffered such damage.

Although the annual population growth has slowed — now 1.7 per cent against 2.1 per cent in the 1960s — it is still high. The government has projected a demand of 235-240 billion tons by the turn of the century when India's population may reach one billion.

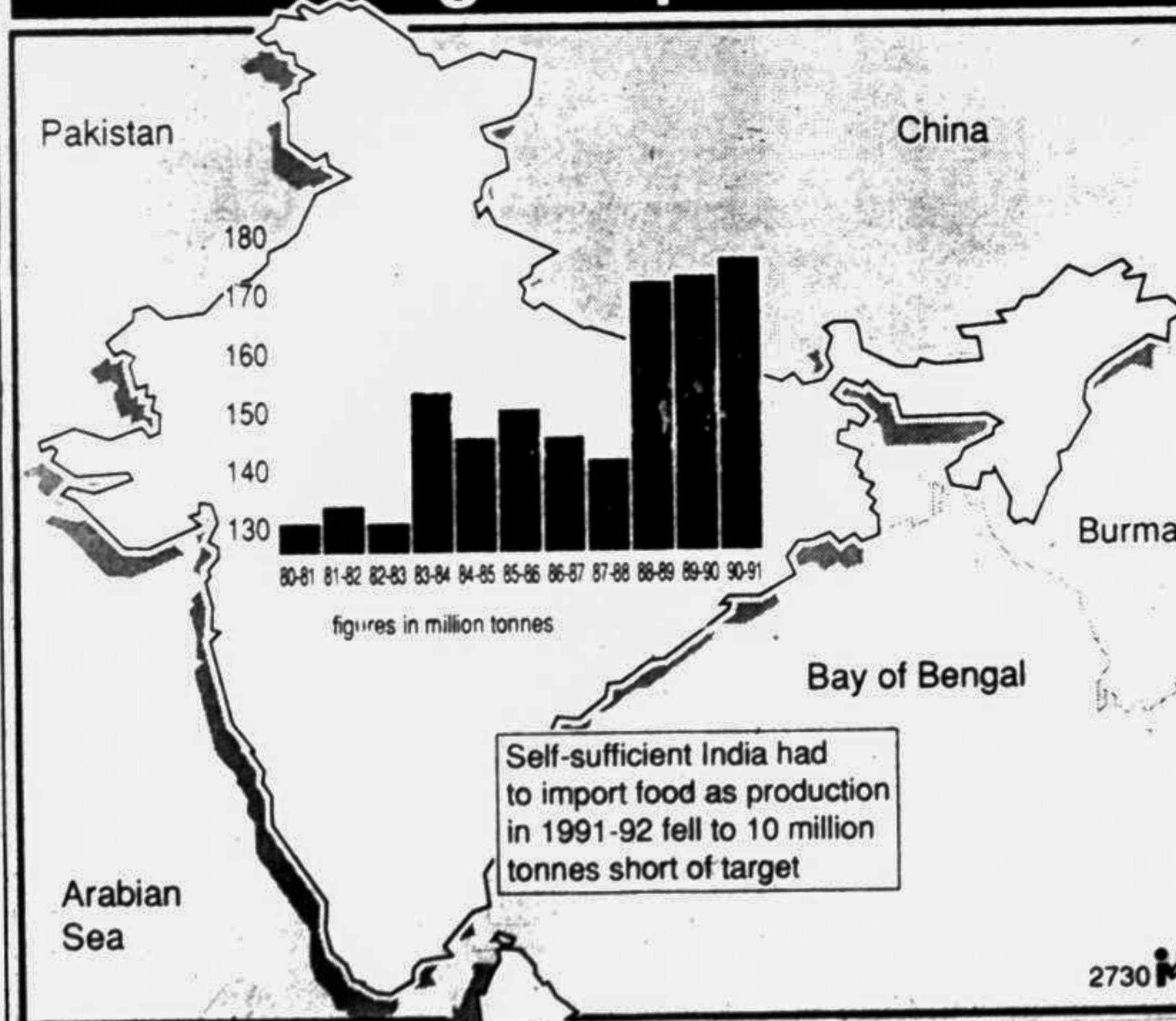
The Bank believes: "Doubling food production in India by 2030 can be achieved by maintaining the past rate of crop yields but will require fourfold increase in fertiliser application" — a remedy unacceptable to many Indian scientists and environmentalists.

The government has to evolve both a short-term and a long-term strategy for the agricultural sector. In the short-term it will have to import more food grain, although that puts great strain on India's meagre foreign exchange resources. Four million tons of wheat imports would cost \$600 million.

Moreover, such action is politically explosive because the farm lobby would justifiably clamour for a higher procurement price of wheat. The imported wheat price of more than Rs 450 per quintal is double the minimum procurement prices of Rs 225 a quintal.

In the long run, India will need a second Green Revolution if it is to sustain its growing population. — Gemini News

India: foodgrain production



short of the actual requirement of about 19 million tons. Buffer stock of 10 million tons is needed as reserve at any time to meet shortages.

Anticipating that the economic liberalisation policy may lead to a rise in prices of food grain, the government has taken upon itself the responsibility to feed the vulnerable sections of society through a revamped public distribution system.

New Delhi has already contracted to import a million tons of wheat from Canada and 50,000 tons of rice from Vietnam.

parts of India. Reports of starvation deaths, migration of farmers and cattle and sale of children in tribal belts appeared in the national press.

The government is worried farmers prefer to sell wheat to private traders at prices higher than its effective price of Rs 275-280 per quintal. Moreover, many farmers in wheat-growing areas have switched to cultivation of more remunerative cash crops such as cotton and oilseed.

Experts say that while the economic reform strategy aims at a virtual overhaul of the entire economy the structural

downward trend — down in real terms of 20 per cent since the peak in 1978.

Indian agriculture has become progressively more dependent on intensive use of fertilisers and pesticides, which increase the risk of soil degradation and affect productivity.

A 1991 World Bank report on Indian agriculture says that "even the moderate growth has come at a heavy cost both to the budget and the economy". It adds: "The future prospects of the agricultural