

## An Agenda for Export Promotion

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) may be right in suggesting that instead of the proposed Cabinet Committee on Exports, the government should set up a broad-based National Export Council which should be responsible for formulating, evaluating and monitoring the country's strategy and programmes in this all-important field. In defence of the FBCCI's proposal, it can be said that greater participation of the private sector in the promotion of exports, better are our chances of translating our much talked about programmes into reality. In fact, there are no other alternatives in this regard.

However, a case can still be made for having both the Cabinet Committee on Exports and the Council, with the two bodies performing different but complementary functions. For one thing, as an adjunct of the cabinet, the Committee could scrutinise proposals, especially their financial implications, which are offered by the Council and treat them as priority cases for government approval. Here, the aim should be to reduce, if not eliminate, bureaucratic control exercised over the Council's proposals by different ministries, especially Finance and Commerce. In other words, the two bodies should work closely together to set the process in motion that changes the scenario as rapidly as possible.

While asking for the establishment of the National Export Council, the FBCCI has made a number of proposals which can be best described as incentives for exporters. At this stage, one cannot speak on their financial implications which call for a careful — and, indeed, a favourable — study by the authorities concerned. Obviously, whatever incentives which should not be treated as pre-conditions are approved by the authorities, they should be in line with what is available in other developing countries, some of whom are our competitors. In the final analysis, the success in our promotion lies in the prices and quality of the products we offer to the world market.

To achieve this success, exporters do need incentives. But they also need a well-planned strategy which should be designed from within the private sector, preferably through the Council which has been proposed by the FBCCI. The proposed Council should also offer detailed projects and targets, defining its own responsibilities as well as those of the country's diplomatic missions abroad. In this respect, the less we talk in terms of generalities — or in the rhetorical "do or die" exhortations — better are our chances of getting down to specific programmes.

To give a few examples, how many of our missions abroad have proper show-rooms of our products and what are the statistics about their performance in export promotion during this year as compared to their record last year? How many regional or international trade fairs would we participate in 1993? What are our plans for promoting our products through foreign media, in regional and international journals or through electronic networks? Would the proposed Council produce a high-quality magazine that provides the outside world with illustrated information on commodities we are trying to sell to foreign markets?

We should know by now that if there are no short cuts to success in export promotion, the drive does not come without a price tag either. It cannot also be based on ad hoc decisions or on hit-and-miss moves. These realisations should serve as the guidelines for the FBCCI's approach to this all-important challenge facing the country today.

## Peace Prize for a Crusader

The relentless fight of aboriginal ethnic groups, especially Indians, in North and South America for their human rights has received a welcome boost from the Nobel Award Committee which has named Rigoberta Menchu of Guatemala as the winner of its Peace Prize this year. With so many other strong candidates nominated for this award this year, the choice of Ms Menchu was obviously a difficult one. With the rightwing government of President Jorge Serrano of Guatemala denouncing the honour bestowed on the country's most famous Indian activist, the selection has also proved to be a little controversial among rightwing circles in different parts of the world.

However, as all supporters of human rights would say, the Nobel Committee has made the right choice — a very timely one too — demonstrating its growing ability to recognise the political realities of our contemporary world. For generations, aborigines in different countries colonised by European powers, have fought for their rights, some part of their historical legacy and others linked to their cultural heritage. In many countries, they have won some of their battles, but, even in the United States, Canada and Australia, they remain cut off from the mainstream of socio-economic development.

The crusade led by Ms Menchu has been particularly a difficult one, since the fight for the rights of Indians in Guatemala became part of the struggle of the progressive forces against successive rightwing governments and military dictatorship. Menchu who is only 33, perhaps the youngest winner of the Nobel Prize, saw her parents and brother killed by security forces, before she fled her country in 1981 to live in exile in Mexico. What impressed the Nobel Committee most was that despite what she went through in her own country, she has remained committed to peace and reconciliation among various ethnic groups. Herein lies a message for all the minority tribes everywhere, including in South Asia, that a commitment to non-violent methods provides the best weapon against disparities and injustices and that a sustained dialogue is a better alternative than armed struggle.

**D**URING the twenty-year period since liberation (1972-1992), commission earned on the one to around two billion dollars worth of annual imports easily contributed, at the prevailing rate of exchange, Taka five hundred crore per annum to enrich the secret, numberless accounts of a handful of extremely lucky individuals of Bangladesh, one of the poorest countries of the world.

If Tk 10,000 crore earned from commission during the last 20 years were invested in labour intensive industries, manufacturing more garments, finishing textiles, weaving fabrics and spinning yarn, or producing leather goods and assembling electronic items like TV or VCR then at least 10,000 enterprises, each on the average employing 300 workers, could have been established by now. The annual payment of wages to the estimated three million workers in 1992 would have been around Tk 4,500 crore which means a very rapid expansion of the domestic market for a wide range of consumer goods manufactured domestically.

While labour intensive industries should obviously be geared to the export market, the significant secondary effect through another round of development of manufacturing industries might have happened about now in the early 1990s to meet the rising internal demand. The commission income of Tk 10,000 crore should have provided the initial financial booster. Combined with foreign investment, joint venture funds, long-term investment loans as well as profits and retained earnings from the enterprises set up would have multiplied the total investment manifold so that the vision of 10,000 enterprises employing three million workers on a regular basis could not but be a very feasible reality.

And it is feasible even today. Our annual import volume as well as substantial remittance

# The Commission-infested Economy

income, both through regular and informal channels, have increased over the years. Therefore, in financial terms, the possibility of setting up manufacturing enterprises is as bright as ever.

But why the reality is otherwise? It is because we have not graduated from the single-minded trade orientation of a purely extractive business class to the stage of productive capitalism. The commission infested economy has intervened to perpetuate the regime of indentors and the strong merchant lobby. It is a risk-free, practically no loss, zero cost enterprise — the dream world of Robber Barons. What we have nurtured in Bangladesh is the Paradise of the Merchants: they never had it so good.

### Examples

How the commission infested economy came about? Taka for example foodgrains — about 30 million tons of which were imported during the last 20 years: If suppliers and shipping agents received the commission at the rate of one cent per Kg of rice or wheat, then the total payment of Tk 1200 crore, at the current rate of exchange, must have been gained by the local agents so far. Bulk commodities like oilseeds, edible oil, cotton, fertilizer, petroleum, milk powder, cement and steel are being imported in large quantities every year and together with machineries and equipment — they account for the overwhelming portion of total imports valued at Tk 10,000 crore in 1992. The profit generated out of this annual import, commission included, is estimated at 10 to 15 per cent of the import value — sufficient to set up 30 to 40 integrated textile mills, each employing few hundred workers provided 60 per cent of the required investment is available as long term loans, joint venture

funds, supplier's credit etc, which again is not unusual. The debt-equity ratio of 2.3 constitutes an attractive investment proposition to any reasonable banker worldwide.

Unfortunately in Bangladesh, such high returns out of the import business could not be transformed into large-scale industrial investment. The all-pervasive commission infestation has seen to it that the nation remains denied of the golden opportunities for labour-intensive industrialisation.

### Project Aid

The most inglorious, and rampant manifestation of commission agents have been

## WINDOW ON ASIA Shahed Latif

found in case of project aid and import of machineries and equipment. Projects were prepared with the primary objective of securing a large import content so that the commission income could be maximised. The greed increased to such abominable extent, being promoted at the highest level of the past regime, that the project costs used to be deliberately inflated to unheard of extent in order to siphon off millions of dollars outside the country. In single deals for a fertilizer factory or purchase of aircraft for Biman or boats for flood relief work, the commission might be sufficient to set up not one but several textile mills mentioned above. Since the operators were influential enough to squeeze such huge commissions, they should be capable enough and obtain the required investment loans to match the available equity out of the large commission income. Unfortunately, no investment were made to set up

new factories and throughout the 1980s, the manufacturing sector's contribution to GDP remained static as well as marginal. Bangladesh is a least developed country; Government ensured that we continue to remain least developed.

I am insisting on the returns from import trade and investment in manufacturing because if we open the window and look at the rest of growing Asia, we will immediately identify the causal linkage between the two. The profits from imports were the initial source of industrial and manufacturing investment. Once the flow of funds from trade to industry

the movie. The long 20 years of lost opportunities began in early 1972 when our planners strongly imposed on the nation the cruel dominance of the public sector. In the midst of so-called socialist policies and programmes, when government practically assumed the ownership of the modern sectors of the economy, private sector investment in manufacturing was a distinct impossibility. At the same time, government became the largest importer, even of items which should have been left to the private sector; but the role of the private indentors and agents could not be avoided. They quickly became the gold-diggers of the nation. But the enormous profits made by them could not be transformed into a textile mill or any sizeable manufacturing establishment because of the severe limitations imposed on investment by the private sector.

No doubt the initial restrictions imposed on the private sector were gradually relaxed; but the phantom of nationalisation must extract its price. Reasonably enough, refrain became the watchword for the possible investors. Like the famous poem of T S Eliot, Love Song of Alfred J Prukork, the few dormant entrepreneurs 'lay etherised on a table'.

### Change of Regime

The regime changed in 1975. The government policies were drastically reoriented in favour of private investment. The commission infestation, in the meantime, enlarged itself to engulf the entire economy into a vicious spiral of hunters for the big kill. Investment funds for setting up of industries were siphoned off again like the commission income to the secret numberless accounts. Even if the industries were set up, they 'uld' not be run with minimum or even zero equity, e loans obtained were few

times more than the investments actually made in the erection of factory buildings or cost of machineries. Hence the enormous liabilities could not be met.

Commission business, therefore, not only endured but continued to prevail over all other business opportunities. Like a beautiful woman, there are strong infatuations in money making endeavours involving no cost but all gains with very little efforts provided the right contracts and the tricks appropriate to the occasion are utilised. The commission incomes tended to be shared within the government machinery. Officers, clerks, peons or drivers of the *Barashahis*, practically anyone who has access to the administrative process that ultimately bestow the benefits to the favoured few.

Corruption spread like wild fire. Commission infestation became so widespread that it tended to sprout like cancer cells where there was the slightest smell of the sweet cash. If one has to pay the bills for water, gas or electricity, extra payments must be made. If my brother sends me money from Middle-East, a percentage must go to the bank clerk or the Post Office peon. Try to buy an airline or train ticket, someone will be there to extract the commission.

Its latest manifestation is 'chanda' or subscription. If you decorate your house for the marriage of our daughter or wish to renovate the building, the local mastaan is immediately aware of the fact that you have cash to spare. So share you must by paying subscription. No shopkeeper can operate his business without periodic payment of protection money. Same is the case with construction contractors.

Commission infestation is now like the malignant cancer which has spread across the body-politic. We are all terminally ill.

Will the nation be dead soon?

# Peace Talks to Stop Asia's Longest-running Rebellion

Marites Sison-Paez writes from Manila

**T**HE atmosphere was heady when in 1986 President Corazon Aquino released political prisoners, forged a truce and entered into talks with communist rebels.

Some newspapers went as far as declaring in bold headlines that after more than two decades of conflict, there would be 'peace, at last.'

The talks of course ended as fast as it had begun. The talks collapsed hours after the massacre of demonstrating farmers near the presidential palace, driving some of the political Left back to the underground, and Mrs Aquino in her own words 'unsheathing the sword of war.'

After the acrimonious talks there would be overtures from the Left to resume negotiations, with the Aquino government, but they remained exploratory.

Now comes the peace overture from President Fidel Ramos in his June 30 inaugural speech. Mr Ramos urged leftist and rightist rebels to give up the armed struggle. He also told Congress: 'Our goal must be to attain a just, comprehensive, peaceful and lasting solution of the internal armed conflict that has cost the nation and our people so dearly. This effort must go hand in hand with the thrust of my government to institute basic reforms to root out the causes of rebellion.'

President Ramos then offered amnesty and created the National Unification Commission (UNC) with the mandate to formulate a general amnesty programme and outline the peace process.

A few political prisoners, charged with bailable offences were released, among them former National Democratic Front (NDF) peace negotiator

Satur Ocampo and NDF leader Rafael Baylosis. (Also released were rightist Army rebels.)

An advocate of government's 'total war policy' against Asia's longest running communist insurgency, he is now puzzling many with his talk of making 'lasting' peace with communists.

Says Satur Ocampo in an interview with *Depthnews*: 'It is very difficult for us to just accept at face value that he (Ramos) has changed his posture. He was a hardline proponent of the peace process, not an advocate of basic reforms. There is this big question mark: Is he naive or being naive?'

Defence Secretary Renato de Villa, who has been designated by Mr Ramos as the government's 'project officer' for the peace process, says the lurking suspicion of Mr Ramos' real motives behind the peace overtures is not unexpected.

'We know that this was forthcoming. But at the same time, we are not losing heart. President Ramos is sincere about this.'

Secretary De Villa insists that the President has nothing more in his mind than 'to make Filipinos understand each other and have peace among themselves. If this (peace process) is a car, he at least wants to set it on first gear so we can start to move.'

'The protracted nature (of the guerilla war) is causing too much losses. People are getting tired of protracted war, they not only want a respite, they want this matter to end', says Mr Ocampo who has spent nearly 13 years in jail.

There is a general feeling, Mr Ocampo says, that 'it would be politically good for the Left to be integrated (into the political process) in order to spare lives.'

**Satur Ocampo, one of the most respected intellectuals in the Philippines' political Left, says the guerilla war 'is causing too much losses. People are getting tired, they not only want a respite, they want this matter to end.'**

The insurgency has taken its toll on civilians. The Philippine Alliance of Human Rights Advocates estimates that from 1986 to 1991, 229,068 families or about 1.2 million individuals have been displaced by military operations against rebels.

This is the compelling argument being made by peace advocates within the movement who want to enter into talks 'despite its nagging suspicion that the government is merely setting a trap,' says Mr Ocampo.

A former military man who is now with the Ramos government says the President is being bold because he believes government will be negotiating from a position of strength. The Armed Forces of the Philippines (AFP) claims the leftist insurgency is in disarray, with the strength of the New People's Army now down to only about 14,000 regulars.

Both the Left and the government agree that things will not come very easy. 'We've fought the communists since 1935, it is not going to be very easy to close the books. There will be stonewalling, philosophising, intellectualising,' Secretary De Villa says.

For the Left, there is the fear that the whole process may just be a reprise of the failed talks. In a public lecture shortly before she ended her term, Mrs Aquino had revealed that her government entered into talks mainly to gain 'Moral

ascendancy to wage a proper war. It is not entirely impossible that President Ramos may be thinking along the same lines.

A month after his declaration of peace in Congress, Mr Ramos predicted the downfall of Philippine communists during term. His premise? 'Low level' cadres would avail of government's amnesty programme. Congress has since repealed a law banning the Communist Party of the Philippines.

AFP Chief of Staff General Lisandro Abadia says that notwithstanding government's peace offer, the timetable of achieving 'strategic victory' over the CPP-NDF by 1993 remains a goal.

These are statements which spawn suspicions that government is merely after the surrender of rebels.

A bone of contention is also the issue of where future talks will be held. The NDF has proposed the holding of talks outside the country saying rebel leaders feared for their safety. The NDF said it did not want a repeat of the sorry experience in 1986 when rebel leaders were hounded and killed as soon as the talks collapsed.

President Ramos has flatly rejected the proposals.

The Left, among them Mr Ocampo, has also proposed that the United Nations mediate the conflict. This has also been rejected.

## To the Editor...

### Politics and students

Sir, Undoubtedly, politics is a part of our life. Students, particularly at higher level should study it seriously for effective participation in socio-economic development of the country, but obviously not for just hailing any political party.

What I mean to say is that the students should do politics but without being attached to any political party whether it is the party in power or party/parties in opposition.

To eliminate violence, or for that matter terrorism, which is dangerously impeding our educational progress, particularly at higher levels, the party in power may take the pioneering role and others follow suit. The students in

general instead of seeking any party affiliation, can forge unity under a single banner called students front, and may, even jump into a countrywide movement for righting the wrong.

If things are not put to the right keel, our poor and unfortunate country may be doomed to better desolation.

Abdul Khaleq Chaudhuri  
Cantt R/A, Dhaka

### Gas and water

Sir, One of my nieces, the other day was telling me that they were yet to get water and gas supply lines in their residential area situated just opposite to the rail line passing through Uttara and Dhakhinkhan/Gawafi etc. It is learnt that while paying a visit to Uttara recently, Prime Minister Begum Khaleda Zia assured the people of the area that arrangements will be made to provide them all the services. My niece told me that necessary arrangements for commissioning gas and water supply lines have already been made but the only barricade is the railway line which is to be dismantled for sometime. She

also informed that many write-ups have so far appeared in the newspapers over the issue.

It may be mentioned here that several families have constructed their houses in that area and are residing there.

May we draw the attention of the relevant authority to the above mentioned matter?

M Zahidul Haque  
Assistant Professor,  
Bangladesh Agricultural Institute, Dhaka

### The DU students

Sir, The decisive factor amounting to failures of many prospective Dhaka University students has been the misperception of the sophomores about the environment. In their early days in DU, all the newcomers hold very high expectation about their future academic performances without proceeding systematically to achieve that. The young minds can't but respond to the calls of Madhu's Canteen, TSC, Suhrawardy Park etc. Conceivably, some of these responses are made inadvertently.

The days pass on speedily.

Terrorism flares up in the campus, gun-battle rocks DU, students get killed, DU gets closed sine die, the students go back home, the examinations knock at the door. The students start demonstration demanding deferment of the examinations. But the inescapable examinations occur. Many of the students' high expectations get shattered down. In this long process, very few students who can disregard the beckoning, show better performances.

Nobody wishes to go astray. Everybody does some works conceived to be fruitful for him. But involvement in those activities aiming at some conceived fruits often emanates from some misperceptions. To the freshers, those appear to be weightier than concentrating into books.

I understand that had I not had the above misperception, I could have done much better. This is to the freshers to take lessons from others' experiences.

Md Abdur Rouf  
Sergeant Zahurul Haque  
Hall, DU

**CORRIGENDUM**  
We regret to say that some wrong figures inadvertently crept into our editorial 'Congratulations and cautions' published on Saturday. The 'rewards' given amounted to Tk 4.72 crore and 22,000 employees received them and not as published in the leader.  
Editor

According to Mr Ocampo, a political settlement from the Left's standpoint would include 'basic political, socio-economic and electoral reforms.'

This could include amending the Constitution or drafting a new one to get rid of 'anti-people' provisions.

The political Left is particularly concerned about the charter's 'ambivalent posture' on the issue of American bases and land reform, among others. There is the issue of human rights and abiding by international humanitarian law. This includes the release of all political prisoners, many of whom have either been charged or convicted of common crimes.

'So far, what we have gotten are declarations. But actions taken so far on key issues fall short of what we consider reforms,' Mr Ocampo says.

But both the government and the Left agree that the prospects for peace are now brighter. For one, there are lessons learned from the failed talks.

This early, both sides agreed there is not need for a ceasefire as a pre-condition for

By acceding to a political settlement, it is already conceding certain things it is offering to unite with other forces for the best interest of the country.'

Notable among them is former AFP Chief of Staff Rodolfo Riazon, who is now a senator and member of the National Unification Commission.

Senator Biazon has stated that there is now a clamour within military to modernise and increase its capability for external defence. It is not just a question of getting tired of the war, but of pride in being the Armed Forces of the Philippines, not the armed forces against the communists, he says.

Given the expected decrease in US military assistance resulting from the scheduled withdrawal of American bases by yearend, the military stands to gain savings from its counter-insurgency budget after a successful peace process. It can use these savings for its modernisation programme.

The recent repeal by Congress of the Anti-Subversion Law is also seen as a positive step. Another positive factor, according to Mr Ocampo, is the participation, 'uninvited, or invited' by large sectors of society.

'In 1986, there was no mass mobilisation contrasted to the high popularity of Cory Aquino. So that even when the talks broke up she was able to recover and maintain her popularity for two more years even as she unsheathed the sword of war,' Mr Ocampo says. 'President Ramos is not enjoying that much edge, so the pressure on him to prove his sincerity is stronger.'

In the end, says ex-rebel priest Edicio de la Torre, who is resident fellow of the Institute for Popular Democracy, 'What matters is that every step forward, no matter how tentative, should be followed up, not only by both parties in conflict, but by all who have a stake in its progress.'

—Depthnews Asia