Dhaka, Saturday, August 7,1993

## Recriminations and Reforms

Much of what Finance Minister M Saifur Rahman says about mismanagement in the cumbersome bloated administration, about its low productivity and, finally, about "too much political interference" in economic policy management is und oubtedly true. Not for the first time and probably not for the last time. Rahman made all these points before a gathering of businessmen and industrialists organised by the Metropolitan Chamber of Commerce (MCCI) last Sunday. As expected, these observations, expressed forcefully and bluntly by one of the key ministers in the administration, won almost immediate endorsement from a crosssection of the business community. "Here is a man who speaks for us. from within the government, many would say. Some would even hope that in future they can count on Rahman.

Without casting any doubt on the sincerity of the Finance Minister, some impartial observers would now certainly wonder if Rahman has not been indulging in this exercise of recriminations a bit too long, for more than two years to be precise. During this period, he has launched repeated attacks on a section of the business community, the civil service, fiscal institutions, various interest groups and bankers, among others, for their indifference, bordering on hostility, towards the economy, more specifically towards his own much-lauded macroeconomic reforms. During his marathon lecture before the MCCI, he also issued the warning that unless the macro-economic sector was stabilised obviously much remains to be done to do so - the micro sector cannot be tackled.

The Finance Minister's wave of recriminations produce serious misgivings. One concern is, by blaming various institutions, especially the fiscal ones, government agencies - for that matter, the administration as a whole - Rahman is creating scapegoats for a possible failure of his economic policies. To that extent, he - and the Finance Ministry - are in the process of passing on the buck. One would also argue that the Finance Minister should certainly be in a position to set things right, at least partially, in the cumbersome administration that is said to be blocking the economic progress of the country. After all, it is the responsibility of the government to do, not just sharing its frustration with the people. Last but not the least, many institutions, especially in the banking sector, have been getting mixed signals about how they should proceed in discharging their responsibilities. The morale in the sector is said to be low.

It is against this background of the administration's inability to set its house in order that we now have a massive 185-page report from a team of experts, set up with the help of the United Nations. While expressing some reservations about the value of such a report, prepared with the help of external agencies, this paper has played its role in focusing on issues which relate to the emergence of a good, accountable, transparent government in Bangladesh. The report, we understand, contains as many as 52 suggested reforms in the administration, whose implementation would go a long way in removing the so-called obstacles to our economic progress that the Finance Minister has been talking about. So, here is a chance for Rahman to take the lead in studying the report and seeing that a decision on it is taken speedily, within a stipulated time limit, before the study gathers dust. For Saifur Rahman, here is also an opportunity to discard recriminations - a somewhat negative position - in favour of a positive approach to long overdue reforms even if they originate from outside the mainstream administrations.

## **Insane Soccer**

Like all other encounters between the giants of the Dhaka Football League, Wednesday's was not a great match. If soccer-lovers here remember the cloudy evening's exchanges on the field at all, it is not because of the players' individual skill or methodical team work but because of the ungamely happenings both on and off the field. To believe what happened other than the game proper - but all centring around it - is to be seen. With the word go the players of both Abahani and Mohammedan made their intention clear: whatever else they would do, they were at least not going to present one of the cleanest of shows. Indeed, they matched their motive with their performance.

With tension running high and pressure building up on the nerves of both the players and their supporters, games between the top teams of any country hardly rise up to their billing. That is understandable. But what is not understood is if the rising tension as well ought to be leading to frayed tempers. Also understandable is the fact that the muddy field due to rain is not the most ideal play ground for the players to give their best and put up a show befitting their calibre, but then it is not too much to expect that fleeting sparkles and occasional brilliance of their great talent and mettle might at least be on show. Indeed, the number of players to do some justice to their names on the day was few and fewer still to demonstrate that they have a class of their own, not simply as a player but as a character unstinted by the day's ugly happenings

For Abahani the stake was greater than their rival. Mohammedan's, because before this last match of the first leg for both teams, the reigning champions were trailing their arch rival, now leading the points table, by no less than three clear points. True to their task, the men in sky-blue were committed to the game more than their opponents. This indeed made all the differences between the two teams and Abahani deservedly won. The win now brings Abahani back to the title contention, although the men in black and white still lead them by a point.

So much for the game. What happened following the second Abahani goal can be a classic example of shifting the blame of inept goal keeping and an unpardonable personal failure on a scapegoat — in this case the referee who also failed to be equal to the task on the big occasion. The fact that the losers on the field behave abominably and become the cause for triggering the subsequent violence to the terraces is a poor commentary on our star players. Their irresponsibility proves highly costly both in terms of economy and ethical values. The Federation of International Football Association (FIFA), let it be noted, has made provisions for varying degrees of punishment for such offences. The authority here must not let the offenders go unpunished.

## CCORDING to the re-

cent budget statement of the Finance Minister, "GDP growth rate for 1992-93 has been initially estimated at around 5 per cent compared to 4 per cent last year. Although the improvement is only marginal, we should remember that many countries going through macro-economic stabilisation programmes experienced virtually no growth or even negative growth rate." The Finance Minister further stated, "Our medium terms strategy is to achieve acceleration of GDP growth rate to around 7 per cent per annum starting with 6 per cent for 1993-94 to double our GDP at the end of the

The GDP growth rate of 5 per cent during 1992-93 was the result of a bumper harvest of paddy; this is a fact well known. Hence neither macro-economic stabilisation measures, as mentioned by the Finance Minister, nor economic recession in the global economy could hamper our economic performance. Being overwhelmingly rural, good crops can make a significant difference in terms of GDP growth rate. Therefore, the projected growth rate of 6 per cent for 1993-94 would fail to materialize if the weather does not remain favourable and floods do not usher in havoc.

If we must achieve the medium term strategy of doubling per capita income by the end of the century, then a double digit growth rate of 10 to 11 per cent ought to be maintained between now and the year 2000 a period of seven years only. The stated objective of 7 per cent growth rate would imply a 40 per cent shortfall to the target of doubling the size of our

Not that such double digit growth rates are mere fictions of our imagination; very much within our close neighbourhood, countries like Singapore, Thailand and China, in particular, have managed to experience such spectacular growth of their economies on a sustainable basis, up until the present recession beginning 1990-91. China seems to have maintained a high growth momentum in coastal provinces in spite of deceleration of demand and income in OECD countries as well as chaos in other transitionally disadvantaged economies of the world.

#### **Double Digit Growth Rate**

Double digit growth rates are difficult but feasible. The realities of our economic situation must be fully comprehended first. We must realize that GDP growth cannot be dependent on

BOUT 100 members of

the Karnataka Rajya

## Budget and Public Investment Decisions

bumper harvests; in which case our economic fate would be buffeting between good and bad dictated by weather induced variations of farm outputs. We should aim at 3 to 5 per cent growth in agriculture on an annual basis so that the average rate of 4 per cent sectoral growth is maintained between now and the year 2000. The emphasis is on the sustainability of increasing the value of agricultural output in spite of natural disasters which as a matter of strategy might seem to be impossible.

As explained later, the correct mix of investment decisions leading to disaster-free agriculture diversification can alter our current perception on production variabilities in agriculture. As for example, concentrate agricultural growth during risk free six months of the year between November and April through irrigation, growing of crops other than rice which maximize the gross value of crop outputs, poultry, livestock, acquaculture as well as marine and esturine fishing. As regards agriculture during wet months from May till October, we have to live with natural calamities but also concentrating on market development including processing of rice - the main crop of the wet season - substantial gains to the economy could be brought about.

The main source of GDP growth ought to be rapid expansion of labour intensive manufacturing primarily geared to export markets. Even 20 to 30 per cent rates of manufacturing growth have not been uncommon in the newly industrialising countries of East Asia; while in spite of worldwide recession, China's manufacturing growth in 1993 is likely to be no less than 16 per cent. Given the potentials for quickly substituting imported fabrics used by the garment industry, promoting exports of leather and leather goods from tanning local hides and skin, encouraging screw-driving industries like electronics and consumer durables, manufacture of toys, growth of jems and jewellery industries and a variety of basically hand-crafted manufacturing enterprises, it should be possible to attain East Asian standards of 16 per cent manufacturing growth in spite of recession during the next 7 years under reference.

Construction Industry Construction industries have often been the mainstay of eco-

nomic growth in industrialised economies whose significant sectoral growth potentials have largely remained unutilised in Bangladesh. Pent up demand for housing both for living as well as a work place, could run into millions of units provided the cost of construction could be brought down within accessible limits of families enjoying an average monthly disposable income of approximately 3000 taka. If, for example, e average cost of construction with ordinary finish is brought down to Tk 300/sft. and housing loans are made available at 6 per cent interest with 30 years repayment, then a 20x30 feet living or work place can be brought within the reach of ordinary urban wage/income earners since mortgage payments would not exceed one third of the daily earnings of Tk.100 only and a 20 per cent subsidy should reduce such payments to one-fifth of the income of Tk 4,000 per month. On the other hand, if construction cost could be reduced further to Tk 250/sft. through prefabricated modular

rate is a laudable objective and doubling it by the year 2000 ought to receive more enthusiastic support from the people; provided (and it is a very big condition) that from patterns of revenue expenditures, estimated outlays under the Annual Development Programme as well as proposed taxes and revenue earning measures, people could discern silver linings within the thick black cloud from where economic growth should rain down upon us. It is very similar to unorganised monsoon which eventually brought in bumper harvests during the last two

People must be convinced that the Government is determined and prepared with a necessary set of actions to double the size of GDP. Unfortunately, it is not the case since desirable growth rates to double income have been scaled down, which in itself is indicative of an utter lack of bold ambitions as well as strategic vision of a true golden Bengal of future. Although the process of bud

# WINDOW ON ASIA

## **Shahed Latif**

construction technologies, then such artisan level income earn ers (Tk. 3,000/month) could afford bigger housing units of around 720 sft. Housing for all would then become a reality. not merely a slogan. Moreover, the construction sector has the highest spin-off effect in terms of a large variety of products and services whose demand would simultaneously expand.

The contribution of the service sector to economic growth can be maximised through promotion of tourism, airline business, tele-communication, data entry and processing services, books and publications expansion of shipping, insur ance and other financial activi ties and engineering as well as other consultancy services development.

#### Critical Decisions

The critical budgetary decisions related to those invest ments and expenditures which are well within public sector are essential if growth inducing sectoral developments through private investments should deliver the required increase of GDP. A 7 per cent GDP growth

getary exercise under the care of Mr Saifur Rahman has remarkably improved, and revenue side of the budget experienced several noteworthy developments, VAT included, the ADP exercise and the resultant public investment decisions leave much to be desired if we intend to alleviate poverty, grow and aspire to double the size of the cake called GDP.

What are these critical investment decisions? First, riceagriculture is presently facing severe marketing constraint due to the collapse of farmgate prices of humid (particularly in case of Aus and Boro) paddy during immediate post-harvest period. Investments by the private sector in market development should be facilitated through provision of both long term loan and short term working capital funds so that, warehousing and processing of paddy with emphasis on by product utilization to derive edtble oil, poultry feed and other value-added products from paddy would boost the demand immediately after harvest. To begin with and in order to expedite the process, public investment in a pilot plant for re-

search, development, demonstration and training (RDD&T) should be a profitable venture. Government is bound to be highly flattered since imitators would follow in large numbers. A similar venture for manufacture of potato starch could boost the returns to potato cultivators.

#### Diversification

The main emphasis of public investment in agriculture should be on diversification. For this purpose, RDD&T projects in tissue culture for spread of commercial orchid growing. strawberry, mushroom and other export oriented crop cultivation is necessary. Budgetary support may also be designed for large scale development of poultry feed manufacture, hatcheries and poultry farming. Pineapples have a big potential to enter the export market provided government support in the setting up of canneries could be effective.

Public investment for manu-

facturing development may

concentrate on the setting-up of the Factory Development Company responsible for investing in factory buildings all over the country for outright purchase or hire-purchase by private entrepreneurs - with all the utilities provided. The company may also set-up complete factories as joint ventures or on its own, particularly in new areas as RDD&T units but to be eventually sold to private par ties. In order to promote small to medium scale enterprises, large scale construction of shop-houses, combining an integrated business or manufacturing and housing location should be an ideal programme along with supervised credit of Grameen Bank type but larger volume of funds per unit of loan. If we intend to double GDP within seven years, the major portion of incremental output must be derived from sources other than agriculture and in this grand restructuring of the economy, Factory Development Company would definitely play the leading role And, there is nothing new about it, exactly this has been the course of development in Thailand where double digit growth rates have now achieved four digit per capita incomes in dollar terms.

Promotion of acquaculture, esturine and deep sea fishing through RDD units, investment subsidies for purchase of fish-

ing vessels, processing units, freezing units etc., have great deal of potential to enhance economic growth. Construction industry on the other hand might be the prime mover of economic growth. Immediate allocation of funds is required to set up government housing banks, expand facilities of Building Research Institute, facilitate financing of industries serving construction business and initiate land acquisition for real estate development.

#### Service Sector

In the service sector, private entrepreneurs are yet to venture and, therefore, government initiatives are necessary at this stage. The investments in this case, will include infrastructure development for tourists at Cox's Bazar, training institute to create a computer-literate workforce, demonstration of modern desk-top publication business, privatization of telecommunication business and expansion of Biman flights for tourists as well as cargo flights for fresh foods and flowers to Europe, Middle-East and

The set of public investment proposals have one common characteristic: they all are of high growth potential geared to specific context of purely sectoral origin: first, agriculture diversification with greater valueadded from crops, fisheries and poultry during disaster free months; second, manufacturing development through readymade factory buildings; third, reduced construction costs and large scale financing for housing through long term mortgage loans, and lastly, direct initiation of development of service industries like tourism and data processing.

There is no doubt that government can do more by doing less. But the least that belongs to public sector must be carefully discerned and acted upon through carefully chosen investment plans. Unfortunately this important expenditure side of the budget is lacking in depth as well as inspiration for the

On the other hand, the most admirable aspect of the budget is the boundless sincerity of the Finance Minister to the task in hand. I am hopeful that in course of the next budget, critical investment dimensions are likely to be sharply focused in such a way that the entire nation will be inspired to struggle for the few growthful years left before the end of an otherwise sordid century for our mother-

## Indian Farmers Attack Cargill Seed Plant

by A Special Correspondent

As part of a campaign to demand a ban on multinationals in the seed sector, a powerful farmers' association in India has attacked and partially demolished the Cargill seed-processing plant in India. The campaign is aimed at protecting the rights of local farmers to produce, use, modify and conserve seeds.

in India, entered and partially demolished sections of a factory owned by Cargill Seeds India Company in a pre-dawn operation on Monday, 12 July.

A Raitha Sangha (KRRS),

a powerful farmers' association

More than 50 farmers were arrested during the incident at the partially completed seedprocessing plant in Bellary, 300 kilometres from Bangalore in South India. The Rs 70 million (US\$2.2 million) plant was scheduled to begin commercial operations in three months. The

farmers were later released. Reports of the extent of damage caused ranged from near-total destruction to minimal damage. In Bangalore, Cargill Seeds authorities and 'considerable structural damage' estimated at Rs 500,000 (US\$15,750) had been caused to the administrative block, main compound wall, ablution block and security building. Police sources labelled the damage 'minimal', adding that 'timely intervention' by the po-

lice prevented extensive destruction.

This is the second action take by the movement as part of a campaign targeting all multinational corporations operating in the seed sector. Last year approximately 1,000 farmers gathered at Cargill's offices to demand a ban on the entry of such companies into India. On 29 December KRRS activists destroyed the official records in the company's Bangalore office, but no officials were attacked in line with the Sangha's policy of non-violence.

The KRRS, led by Professor of Law Nanjudaswamy, launched its 'seed satyagraha' (a

'satvagraha' denotes action of civil disobedience) late last with the aim of protecting the "rights of farmers to produce, use, modify and conserve seeds". The 13-year-old movement grew out of the farmers' uprising against levies on irrigation water in Dharwad district.

This fundamental right is under threat from multinational seed companies (MNCs) which see farmers' rights to their own seeds as an obstacle to market expansion by MNCs. The Bellary raid was carried out as part of protests against the acceptance of the General Agreement on Tariffs and Trade (GATT)/Dunkel proposals on

agriculture by the Indian government. The KRRS has been campaigning against the proposal for patenting of life forms for the past seven months.

According to news reports in India, the KRRS said the Dunkel proposals were detrimental to Indian agriculture as they were aimed at patenting plants and genes, and were part of an international conspiracy to deny farmers the right to produce, modify and sell seeds. They demanded a ban on multinationals in the seed sector, a total rejection of the Dunkel proposals, and maintenance of stats quo with regard to the Indian Patent Act of

1970, which excludes patents on all life forms.

KRRS General Secretary Hanumanagouda told the Union Government to take a decision on the Dunkel proposals only after discussion with state governments. He said that the Sangha had also been demanding that the Union Government furnish details of MNCs which had been allowed to set up business in Karnataka.

There are currently a total of six new multinationals in Karnataka either operating or scheduled to commence operations shortly in the fields of food and medicine.

"Our movement will be in-

tensified, and the farmers will continue to wage a relentless battle against multinationals. said Prof Nanjudaswamy. He announced the KRRS's intention to destroy the property of MNCs operating in Karnataka to months ago.

This is a warning to Prime Minister Narashimha Rao", he added, referring to the Bellary attack as merely the first stage of a programme which will escalate. He identified the W R Grace (of Florida) neem-based pesticide manufacturing plant in Tumkur and the Pioneer Hybrid Seeds Ltd at Ranebennur as future targets. for similar agitations.

Cargill Seeds, a joint venture of the Delhi-based Tadco Group and Cargill Incorporated USA, is constructing seed-processing plants and huge godowns in Bellary to store seeds. This latest incident would delay the completion of the project, and Cargill spokespersons have said the company is contemplating legal action.

 Third World Network Features

### Late night movies on BTV

Sir, Late night movies are usually shown on BTV after the news in English i.e. from 10-30 pm to 11-30 pm. Among them only a few are popular. For this movie series a viewer waits for a whole week. But it is a common practice of BTV to cancel particularly the most popular series and replace it by a discussion programme on various topics on the 'important' days. There are many instances that the 'movie of the week' is replaced by a documentary programme. This type of programmes may easily be accommodated in the afternoon or evening telecast. BTV does not only compel us to swallow these programmes, moreover they kill more than 20 minutes in repeating the same advertisements for three or four times (which is, of course, obvious). Now, due to the discussion programme and advertisements one has to wait till midnight to watch his long awaited popular series of 30 minutes duration.

Advertisements have become a compulsory part of programme even after news at 10-00 pm. Even then if the duration is within limit i.e. five to 10 minutes, it may be accepted. Knowing the actual duration of the movie series after censoring and editing they can easily calculate the gap which may be filled up-with ads. They should have a limited time for ads (which, I am sure, they do not have). They do not bother if the

viewers have to wait for the whole twenty minutes, till the latenight news in Bangla and English end, to see the remaining part of the film which ends only after two minutes. I believe it is intentionally done for which a viewer loses his concentration in the theme of the film. News is neither a programme of recreation nor a programme to be swallowed. A viewer who observed the news at 7 am 8 am, 2 pm, 5-10 pm, 8 pm and 10 pm does not need to listen to late night repetition of the same

We have a democratic government now but BTV is playing the same role as it did during Ershad regime. By doing this, BTV is not only keeping us awake till midnight but also torturing mentally. I am afraid, if this quality of service continues, the licence fee may be stopped by the viewers and representatives coming for verification of licence may even be manhandled by the public. Who will be responsible for anything so untoward?

Zafar Shaheen 80, Elephant Road, Dhaka

## Seeking a trouble

free life Sir, Your columnist SAMS Kibria's article "Ordeals for Citizens" appearing on 13th June was wise and strongly worded.

often in very caustic language, had been published over the years without any result. Yet

when some one delivers harsk words to the aggressors, the sufferers get a kind of psychological relief and satisfaction. Questions are: Whom are

m are you complaining to? Some are suggesting the early appointment of the Ombudsman. May be he will be a good man. But it will not be

you complaining against? Who-

one-man show Novelist Humayun Ahmad is facing legal action for suggesting in his story that some judges are corrupt. The other day you carried the news of dismissal of three judges for be-

ing corrupt! Decades ago a friend of mine narrated his experience of booking railway wagons from Chittagong to Dhaka. He said the fixed tip was one hundred Taka per wagon over the official freight. One day, reportedly, his man came to inform that from "today it is two hundred Takas" Why? Allegedly because an anti-corruption inspector had been installed there after repeated complaints about the corruption of the railway book-

Now every one has turned bold, daring and desperate. Some at the top are found to turn too rich too soon while others like our utility inspector. meter readers, bill clerks, ledger keepers, supervisors, their union leaders, may be are merely trying to make their life Articles, editorials, letters, a little more comfortable. Who could blame them? And who would dare to question or catch

ing clerk.

Years ago I saw a drama where a character in extorting four thousand takas as bribe from his client consoled the client: "Sir, don't mind. I take this from you today. Tomorrow I shall have to pay the entire sum for the admission of my sons to school."

This is not however, true for everybody.

Sir, I am such a private citizen like many others. I am a thief-fearing simple soul. My phone seems to be already under 'sublease' to another mysterious unlisted subscriber; his calls are added to my bill while he pays to his benefactor. WASA gives me lump figures of arrear bills on printed hand bills. When I complain in writing with copies of all my uptodate payments, they ask me over the phone and by words of the month to see them in their office. Some even are as bold and frank to say about the "well-known number two busi-

ness in Bangladesh". The number of real defaulters do not seem to be enough to satisfy the demands of this unofficial toll collection!

WASA discontinued selfbilling from January. But no meter reader came, nor any computerised bill, till end of June. So a bill was collected from its head office at considerable transport cost. This had to be done after failure to contact any one over the phone in the office numbers published in newspapers. Perhaps they are always in the Eden Building "for meetings at the Ministry".

Many in authority routinely sermonise about honesty, speak against corruption. - But we know them in their true colours

only after they fall from grace. Now my back is against the wall. There is no other source of water for me. And water is life. How much more do I have to pay for it? And from where do I get the extra money?

A suffering citizen

Letter writers' cell Sir. The formation of a 'Letter Writers' Cell' 'Forum' is not at all the crying need of the countryfolk — that too at the cost of the Honourable Prime Minister's office. Readers who are genuine in their thoughts and look at matters consciously must have noticed that even if not always, quite frequently, prompt actions do take place or a request fulfilled by the authorities concerned if and when such a letter appears in the Readers' Column of a newspaper.

It is my earnest request that readers who are seeking the Honourable Prime Minister's intervention in matters that involve the whole nation, including those who write, should think with sincerity, honestly accepting the fact that the opposition party also has responsibilities to carry out besides the various relevant departments or organisations. I cannot agree that no action ever takes place nor that the authorities concerned never bother. For, if that were so, today there would not have been a single letter writer nor any letter writers' column in any newspaper (or weekly) of

However, it is hoped that each authority concerned would take up new initiative to mitigate problems facing the countryfolk sooner and in greater numbers as is demanded by the learned and alert members of the society.

Mujibul Haque Mirpur Road, Dhaka

Bangladesh.

### "Munir hanged"

Sir, There appeared a news as a boxed item in the front page of The Daily Star on the 30th July — in which the DIG (Prison), inter alia, states that 'there is no rule for taking any photograph inside the jail or of taking any picture of the body of a hanged person'. This statement of the DIG (Prison) is contrary to the news which appeared in The Daily Star dated the 27th July (front page) under the caption "Munir hanged". In that news it was narrated that ....after the execution, his body was taken through the corridor to the main gate, and the jail sources said that the police photographers took several snaps of his (Munir's) body."

The general public remains bewildered at the self-contradictory news dished out from the same source (Jail authorities). Will someone reconcile the contradictions to assuage the curiosity of the general public?

Iftikhar Imam ! 50, East Raja Bazar, Dhaka