Several reasons can be ad-

vanced for this disappointing

trend. First, the prohounced re-

cession in industry since the

participation.

The Baily Star

Dhaka, Saturday, October 2, 1993

Time to Lend a Helping Hand

We are shocked and deeply grieved at the unbelievable human tragedy that has struck India, our neighbour and partner in SAARC. At this hour of trial we express our solidarity with the people and the government of India, and pray to the Almighty for the salvation of the departed. According to reports received at the time of writing, the death toll was 28,000. No doubt it will have risen by the time this piece is read. Men, women and children, caught in deep sleep fell victim to the severest earthquake to hit India for nearly a century.

We recall with gratitude the assistance that India extended to us, every time a major natural calamity struck us. In this tragic moment for India, we should extend all sorts of humanitarian assistance as is possible within our modest means. Emergency relief teams comprising of doctors, nurses, building engineers and other technical hands should be offered to our SAARC partner, specially as Bangladesh now chairs the regional body. It is in the moment of trials that neighbours must come to each other's assistance. Financial and material assistance should also be offered as quickly as possible.

The earthquake comes as a rude awakening to the fact that with all our boastful claims of harnessing nature with science and technology, we remain vulnerable as ever, when nature's wrought is unleashed. We are also made shamefully aware of the fact that our so-called development has failed to touch the vast majority of our rural population, who die in thousands when a natural calamity occurs. In India, as in our own country the poor live in dwellings that crumble at the first touch of an earthquake, a storm or flood. There is also the question as to how well designed and scientifically sound our massive development projects are, especially river dams, which environmentalists say, invite natural disasters.

Perhaps this is not the moment to raise these issues. Now full concentration should be on rescue and humanitarian assistance. We extend our heartfelt condolences for the massive loss of innocent lives, and pray that the people of India will find the strength and courage to overcome it. We must stand beside our neighbour at this hour of great tragedy.

The WB and IMF Meeting

We congratulate Finance Minister Saifur Rahman for being elected Chairman of the Board of Governors in the just concluded World Bank (WB) and International Monetary Fund (IMF) joint meeting in Washington. The post is symbolic, but the symbol is very important. His election - first ever for a Bangladeshi — brings honour to the country, and to his own person, which he richly deserves. In this annual gathering of the two most powerful international financial institutions, the leaders and top managers of the global financial system air their views on major issues, providing glimpses of their thoughts to the world at large.

This is also the time when the major economic groups such as the Group-7 of the seven leading industrial nations (G-7) and the Group of 24 (G-24) representing developing countries from Asia, Africa and Latin America -eight from each - schedule their own separate sessions and come out with their pronouncements on the issues facing the world economy. Of more practical significance, the joint annual meetings of the WB and IMF provide a forum to the leaders of world finance to meet individually to exchange views on global economic issues and sort out bilateral problems. Finance ministers from poorer nations also make a bee-line for the doors of the chiefs of World Bank and IMF to discuss aid.

This year's annual meeting at Washington seems to have been overshadowed by political turmoil in Russia. However, the occasion also provided an opportunity to the G-7 finance ministers from the United States, Japan, Germany, Britain, France, Canada and Italy to issue a joint statement at the end of their meeting, voicing strong support for President Yeltsin and his economic reform programme. They also held out an assurance for accelerating the flow of financial assistance to Russia in the coming months as a sop to the Russian people.

Turbulence in Russia could also eclipse another issue that the leaders converging in Washington were expected to sort out. This is about financial aid to the Palestinians to ease the process of implementation of the Israeli-PLO accord. Until the Russian crisis erupted, it was thought that aid to the Palestinians would be a major issue on the agenda. Washington had called an international conference, to sit immediately after the WB-IMF annual meet, to consider a three billion dollar package to support the plan for Palestinian limited self-rule in the West Bank and Gaza Strip. Palestinians need the money not only for rehabilitation but also for building up a civil administration and financing such essential services as schooling, health-care system. Let's hope that the plan would go through. Such hopes are bolstered by the fact that this year's annual meet has already provided the occasion for a 15-nation aid group, headed by France and Japan, to come up with a financial assistance package for Vietnam.

The G-24 meet on this occasion took the rich countries to task for not having done enough to lift the world out of recession which was hindering the poorer nations adjustment programmes. It also berated the protectionist trends in industrial coun-

Interestingly, the need for conclusion of a world trade agreement by the end of this year under the General Agreement on Tariffs and Trade (GATT) sponsored Uruguay Round of negotiations, is one area where both G-7 and G-24, seemed to agree. The IMF also took a lead in this matter by taking the rather unprecedented step of inviting the GATT chief to sit in its committee meetings. Later, the chiefs of IMF and GATT came out with a joint statement urging the world's nations to bring the Uruguay Round of talks to a conclusion by the year-end. World Bank also has come out in its favour strongly.

As for us, it is generally believed that in his bilateral discussions with the World Bank people, the Finance Minister would have had done some explaining about the latest wage hike, particularly in the context of financing the jute sector reform programme. The global aid climate is not getting any better for the current recipients. New aid to Russia, the Palestinians Vietnam —all these are in a good cause. However, the hard reality is that a little less might now become available for the existing recipients of aid. At home, restructuring of the jute sector appears to have turned into a debatable issue. Let's hope that the politicians and policy makers would work together to find a way to resolve the ongoing dispute.

TUCH has been said over the years on the positive A and negative aspects of the schemata of industria lisation adopted in India in the 1950's. The public sector was to occupy, in this schemata, the commanding heights of the industrial landscape, and help to accelerate the process of fullscale economic self-reliance. The debate has not quite adjourned on the wisdom or otherwise of the course then charted. The ideological divide looms large in the calculation of the country's gains and losses following the policies set in motion four decades ago. A politically conscious decision has now been taken to shift gears and reverse the erstwhile strategy of independent economic development with the State as the lending sector. The adverse effects of this altered strategy, according to some critics, are already evident in burgeoning external debt and rapid and continuing erosion of living standards of major sections of the national population, the growing trend of unemployment is also mentioned in this connection. On the other hand, difficulties or hardships of this nature, the supporters of the new economic strategy assert, are an inevitable concomitant of any economic adjustment programme in the short run.

Whichever way the debate is resolved, certain other issues come to the fore. In the immediate post-independent decades, because of the strategy pur sued, the industrial infrastructure was by and large under the domain of the public sector; an overwhelming proportion of new initiatives on the part of private industrial entrepreneurs too was made possible due to funds made available by public financial institutions such as the Industrial Development Bank of India, the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India, the Life Insurance Corporation of India and others. Not surprisingly, the bulk of the outlay on industrial research and

N an ultra-diverse nation

dangerous, says Abdurr-

ahman Wahid, the 1993 Ramon

Magsaysay awardee for

guiding the largest Muslim or-

ganisation in Southeast Asia as

a force for religious tolerance,

fair economic development and

the Nahdlatul Ulama (NU), the

Council of Islamic Scholars,

which is Indonesia's largest pri-

vate organisation. Its 30 million

members are spread over

13,000 islands but are concen-

trated in East and Central Java.

Jombang, East Java. As chair-

man of the executive committee

of NU, he has focused its atten-

tion away from the exclusive

support of the Muslim political

of party, the United

original social and religious

work by initiating programmes

anchored on a national network

of some 7,000 Koranic schools,

or pesantren, dispersed in

65,000 villages. These com-

munity programmes include

agricultural, rural banking and

economic projects undertaken

in cooperation with a private

bank and with the government.

these pesantren schools defined

and preserved Java's distinctive

Muslim culture and passed it

on. Even during Dutch coloni-

sation, the pesantren rejected

'modern' ideas and became

Mr Wahid was born in East

Java in 1940 and received his

and EPZ

bastions of tradition.

For centuries, scholars at

He has guided NU back to its

Development Party.

Mr Wahid was born in

Since 1984, he has headed

community leadership.

democracy in Indonesia.

religious politics are

THE TECHNOLOGY TRAP

Research and Development should be Principal Concerns of Entrepreneurs

by Ashok Mitra

With the gradual retreat of the public sector from the commanding heights of the economy, private entrepreneurs would be expected to fill the space and undertake large-scale outlays in the area of research and development.

development which took place was under the auspices of the State. Such research and development activities were undertaken through two separate instrumentalities. The chain of scientific and technological laboratories, set up and administered mostly by the Council of Scientific and Industrial Research, contributed in a major way to basic research, while public industrial units like Hindustan Steel, Hindustan Machine Tools, Hindustan Heavy Electricals, etc. concentrated on inducting and applying technology to meet specific industrial requirements. Public undertakings would often have occasion to take pride in the skill and talent in adaptive technology displayed by their employees. Perhaps some bureaucratic sloth marked the manner in which research and development were proceeded within the portals of both the national laboratories and the public enterprises, and yet, by the early 1980's, the country could boast of a sufficiently deep and wide industrial-technological base as well as of the second largest stock of skilled scientific and technical manpower in the world. The technology the latter excelled in was not always state-of-the-art, but, if thrown the challenge, they had the capability to adapt, within a reasonably short time-

frame, the state-of-the-art. Over these decades, the private sector however hardly made its presence felt in the research and development field An implied division of labour came about. Since the State had assumed the prime responsibility for industrial growth, it would, the thought was implicit amongst private entrepreneurs, also take full charge of research and development activities as well. Only when a new process was demonstrably successful and ready for largescale industrial application, the private sector generally came into the picture and availed of the patent granted by the State at zero or nominal price. Even in this phase, while embarking on full-scale commercial production, the private sector would lean on near-total funding from

public financial institutions. In several countries, corporate industrial entities are required by law to put aside a stipulated minimum proportion of their total gross turn-over say, 5 per cent - for purposes of research and development. Under the benign form of industrial planning experimented within India, no such stipulation was ever insisted upon. The Indian private sector therefore depended upon either industrial patents doled out by government laboratories and research institutes or technology brought in by foreign collaborators. Even the most successful - and most prosperous - industrial concerns in the country spent barely 0.5 per cent of their total turnover on research and devel-

As was only to be expected, the technology transmitted by the foreign collaborators did not embody the fruits of the latest

scientific and technological advances, in the given area, in the country of origin, and, more often than not, verged on the obsolete. If our industrial sector could still make remarkable strides towards overall self-sufficiency, that was mainly on account of the catalytic role played by government research institutions and public indusirial undertakings.

The drastic re-ordering of

economic and industrial policies in the past few years has created an extraordinary new situation. International financial institutions underwriting the socalled readjustment programme have an ideological distrust of the public sector in general, and government involvement in industrial activities in particular. Because of pressure applied by such external sources, a number of public undertakings are currently under threat of either closure or privatisation, others have had their investment plans and working budget severely cut back. In this uncertain climate, research and development work is being increasingly de-emphasised in the public units. Because of the unprecedented resource crunch experienced by the government, allocation of funds for the national scientific and technological laboratories has also been drastically reduced. Besides, given the current mood, there is no question of opening new government institutes and laboratories for attempting fresh tech-

nological breakthroughs. The regime of economic lib-

eralisation is supposedly intended to reverse the pecking order of old and situate the private sector in the forefront of industrial activities. Research and development should, in these circumstances, emerge as one of the principal concerns on the part of private managers and owners. With the gradual retreat of the public sector from the commanding heights of the economy, private entrepreneurs would be expected to fill the space and undertake large-scale outlays in the area of research and development. They have little alibi for not doing so, for ex change and licensing restrictions are things of the past. A liberalised India, if it has to achieve a spectacular advance in industrial exports, must have the necessary back-up of research and development of the relevant kind.

The turn of events has not happened along these expected lines. Rather, what is emerging is a contrary trend. A recent study commissioned by the Department of Science and Technology is most revealing: in the course of the past decade, the actual outlay of organised Indian industry on research and development, expressed as a proportion of gross sales, has shrunk by as much as onethird. The upsurge anticipated in research and development in the wake of liberalisation is still-born. Additionally worth noting is the fact that the outlay on research and development is particularly poor in the case of units blessed by foreign equity late 1980's has also cast its shadow on research and development. The milieu matters. Since liberal policies have not helped to boost the rate of growth, they have failed to stimulate technological endeavours as well. Moreover, habits cultivated - and without interruption -- over successive generations die hard. The private sector has been accustomed to look to the government for research and development contributions; it now finds the role as major performer in this arena' somewhat ill suited for itself. Units with substantial foreign equity must be specially under pressure to go slow on research and development and fall back on whatever technology is passed on by foreign collaborators - cum-equity-holders. In case the public sector

continues to be kept under wraps, and the private sector is either unwilling or incapable of fulfilling the role expected of it, technological research in the country is bound to enter into a lean period. This could make the nation even more dependent on technology from foreign countries. There should be no illusion that such technology would be anywhere near to state-of-the-art. The patents our industry would be forced to buy would often be of obsolete and inferior technologies, and yet, we would be made to pay through our nose. Economic liberalisation has thus not only pushed us into an external debt trap; it also threatens to entangle us into a technology trap, marked by the purchase of outdated foreign technology in order to get rid of even more outdated foreign technology

ASHOK MITRA is a former finance minister of West Bengal

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the Constitution. This amounts

to the imperative of a

democratisation process which,

Pluralism Best for Indonesia

today.

formal education in Indonesia, Egypt and Iraq and became a Muslim scholar. As the grand-Mr Wahid was cited for son of NU's founding chairman, he is steeped in the NU tradition but his approach has been anything but traditional. He has launched, for example, a rural banking system and sees a network of small-scale agro-industries, retail stores, mutual-

> He opposes the idea of using government to enforce the Islamic law code and other manifestations of an Islamic state. He believes, instead, in a secular state in which the law applies equally to everyone and where Shari'ah values become standards by which Muslims choose to live. I am convinced that the Indonesian silent majority is pluralistic in attitude and tolerant of diversity,' he

help, projects and rural banks.

largest Muslim population — 88 per cent of its 180 million people are Muslim. But he strongly advocates religious tolerance. 'We should not let the majority feel that it owns the law, this Muslim scholar told a forum held after the presentation ceremonies of the 1993 Magsaysay Awards.

'As long as the majority feels that it can control the minority, he explained, 'the sense of nationhood is not stabilised and the idea of nationhood itself is

not in jeopardy. Mr Wahid cited history as well as current events to show that it is not easy to maintain a

Perla Aragon-Choudhury writes from Manila Religious tolerance is advocated for the world's

tolerant attitude towards peoples of other religions. 'A clear proof,' he said, 'is what is happening in such diverse lands as Northern Ireland, Jerusalem, Lebanon, India, Myanmar and the former Yugoslavia.'

largest population

He said the ethnic problems in Bosnia and Herzegovina are compounded by the religious of the protagonists. Since religion can intensify political, ethnic and even economic conflicts, it is important to insure religious tolerance in society, he said.

Islam in Indonesia, the subject of Mr Wahid's lecture, is a case in point. According to him, all kinds of demands to 'Islamise' national laws appear Indonesia has the world's in the fragmented Islamic movement in his country. Yet the majority still 'has to buy the idea of legislating Islamic teachings and other forms of Islamic formalism.

> 'A big enough sector of the community is trying to put the relationships among religions in the right perspective by adhering to the national framework of statehood and to efforts to democratise the political sys-

This sector aims to protect the rights of the minority which are guaranteed by the 1945 Constitution. I am glad to say he said, 'that there is a voice of rationality and objectivity alive

Indonesia. Even if the deterioration may be in its initial stage. Mr Wahid calls for a triangle of religious tolerance, democratisation process and equitable development.

A first step should be to restore mutual respect based, he said, on the fundamental principles of freedom of speech, of rule of law, and equality before

on the other hand, depends, on the imperative of concrete national development and equitable economic growth, which shall result in the long run in the eradication of poverty. It is this triangle, Mr Wahid believes, that will give a better

life to all Indonesians regardless of their ethnical, religious and cultural origin and gender.

announce an 'official price' of

paddy before the sowing season

Depthnews Asia

OPINION

He sees a clear need for

steps to resist the deterioration

of relationships between differ-

ent religions and faiths in

Commercialisation of Agriculture should come up with a policy to

In a densely populated country like Bangladesh where land is so scarce, we ought to maximise the use of land for the uplift of the country's economy and consequently, our own standard of living. Presently 9.3 need of the hour.

sold their property just to surnow join the endless stream of This establishes the fact that, if unemployed people that are the populace is made knowlflocking the cities and towns edgeable about nutritional elejust for a livelihood. Obviously, ment that exists in sweet potato this is a sad state of affairs and needs to be looked at in a different perspective, where they should be allowed to survive and prosper in their own profession.

A solution perhaps can be found if the farmer is given the option either to grow paddy or any other product — this obviously presumes that the land is usable for an alternative product, which, in most cases, is

ment Institute (SRDI) has been carrying out extensive research nationwide and have gathered basic data and information on land, soil, crop and water resources to help prepare

starts. Government is fully ca-Mouza and Union level through pable to determine the needs of proper utilisation of seed-ferthe country and also to estimate the annual production and the deficit to be imported. Putting all these figures together, and the international prices in perspective an 'official price' of paddy by grades could be declared. Like many countries of the world, commodity prices are forecast/declared in advance, this will atleast give the farmers a choice to make a rational decision whether to grow paddy or In order to commercialise agriculture certain policy sup-

port from the Government would be required, such as (1) Grouping of small farmers into an 'economic' helding to maximise economic returns. (2) Encouraging modernization of our agricultural practices and use of mechanical equipment. (3) Encouraging commercial production of seeds to make available good and standard seeds of different crops, vegetables and fruits. (4) Developing and executing crash programme to educate, train, motivate farmers by imparting functional literacy to approach farming on a commercial footing. (5) Introducing of land zoning system for ensuring proper use of land. (6) Declaring "official prices" of basic commodities - paddy, wheat before such sowing season. (7) Introducing crop insurance schemes. (8) Popularising use of Thana land and soil resource utilization guide. (9) Publicising through mass-media the benefits of cultivation and consumption of "nutritious crops," (10) Developing a system to monitor 'soil health' and land productivity. (11) Encouraging export of agricultural products. (12) Encouraging setting up of agro-based industries, preferably for export.

It is now over two decades that we have attained independence, but the progress made in the field of agriculture is pretty dismal - our per hectare yield of rice had increased by one ton only to 1.9 tons while it increased by 4.0 tons in South Korea in a far shorter span of

It has, therefore, become abment of agriculture on a comfew options left to pull our comity of nations.

Industrialisation

Sir, The process of industrialisation is being seriously hampered due to worldwide economic depression, which has invariably resulted in largescale unemployment. It maybe noted that the most developed countries of the world are struggling hard to cope with the economic stalemate with the result that industrialisation or extension of existing industries are receiving serious drawback. So, one can assume the situation of industrialisation in a poor and developing country like that of ours. The statements made on various occasions by our Finance Minister and the huge fund lying unutilised in the commercial banks go a long way to substantiate the fact. Owing to the sort of political and labour trade union activities obtaining in the country, foreign entrepreneurs feel shy to come up with investment venture. Which go to establish that the process

It is a matter of utter astonishment that sometime back a friend of mine with the object of setting up of a new unit in the Dhaka Export Processing Zone made an application for allotment of a plot, to the Bangladesh Export Processing Zone Authority. But they gave out that no such plot was available. Of course, such a grievance was also heard in respect of the Chittagong Export Processing Zone.

of setting up new industries in

Bangladesh has become simply

insignificant.

When in the poor countries like ours as also in the developed countries the efforts of setting up new industries are faced with serious handicaps, which is also aggravating the unemployment problem to a horrible extent, Government ought to come up to offer active support to the entrepreneurs who come up with the object of establishing new export processing industry.

As this is a vital question for the nation, it is prayed that the appropriate authority of Government may declare, for the information of the public, through the information media the number of plots available in the Export Processing Zone, as also the number of such plots already allotted, so that interested persons may know what are the types of industries, for which plots have been allotted, which will also enable them to identify the necessity of setting up particular type of industry they might seek permission for. Rabiul Islam

"Short weight"

Mirpur, Dhaka

Sir, One must thank Mr. PH Muhammad for his letter concerning "short weight". According to BSS (Re: The Daily Star dated 24/08/93 - front page coll 8) the Ministry of Commerce at its meeting held on 23/08/93 decided to constitute a high-powered committee to examine and update laws relating to prevention of adulteration and malpractices in weighing.

If the above is not a coincidence then I guess Mr. Muhammad's complaint about "short weight" drew the attention of the authorities concerned. Since reference is made to the municipal markets, suppose the Mayors of Dhaka and Chittagong and the MCs of the other districts should wake up and take necessary steps to cradicate such criminal acts with the help of the law enforcing authorities always at their disposal.

As a matter of fact, it is the moral obligation of the Municipal authorities to check the weights used by the shopkeepers from shop to shop (if not possible, make random sample tests) and confiscate the weights and measures not meeting the standard giving exemplary punishment to the cheaters.

I do not know for sure how far the suggestions made by Mr. PH Muhammad is going to be effective to combat the menace, but I surely do agree with him that everyday thousands of unfortunate consumers like us are being cheated by many a meat and fish seller and the green grocer. Now that we are assured through the media that the law enforcing authorities would be doing their jobs. We feel a bit relieved trusting that the unscrupulous shopkeepers will be apprehendéd. However, we would appreciate a feed-back from BSS on new developments in this context.

Arnold C. Gomes Gulshan, Dhaka. Afzalur Rahman

realistic production plan at the

tiliser-water-technology. They have established that the counmillion hectares of our cul- try has a wide diversity and tivable land is being used for complexity of soils - more than farming for various types of 500 soil series. Pilot projects agricultural crops — major item carried out by them showed being paddy. In a country like yield increase by eight to fifty Bangladesh where agriculture per cent. Thy have produced accounts for over 40 per cent of "Thana Guides" which give our GDP, it is quite obvious complete information on the soil that the majority of our people conditions and other details depend on agriculture for their about crop production. As we livelihood, and, any improve- are fully aware, our soil fertility ments either by increasing crop is declining day by day princioutput or producing crops pally because of exceswhich are economically prof- sive/wrong use of fertilizers. itable will have a direct impact pesticides, lack of alternate on our GDP and the earning cropping etc. This can only be capacity of the majority of the stopped if our research such as population, which will lead to that of SRDI, could be put of more spending/savings which practical use. There is another in turn will lead to increased in- institution — Tuber Crops vestments/demand for goods Research Center - which has needed by this large section of carried out extensive research the population. In other words, on nutrition based agricultural if the buying power of the products - vegetables, fruits, farmers could be improved then sweet potato, pulses which it would immediately benefit our provide such excellent alternaeconomy which is the crying tives to the traditional sources of protein, vitamins, acids that Recent events have indicated are either being discarded or that instead of increasing the abandoned at the cost of the buying power of the farmers, paddy to attain self-sufficiency they have in fact diminished it. in food — thus creating a To illustrate the point — in the tremendous imbalance. Surveys past season, the average cost of carried out by the Tuber Crops production of one maund of Research Center showed that paddy was Tk 240/-, but the consumption of sweet potato selling price of the paddy came and pulses has been reduced by down to as low as Tk 110 per more than 50 per cent though maund, so, on the average there these two crops are rich in nuwas a loss of Tk 130 per trients in comparison with rice mound. As marginal farmers and wheat. As a result of susconstitute a major section of the tained campaign to popularise farming community, their con- consumption of potato by the dition would have been precari- Government the average conous. In order to survive, they sumption of potato has inwould have borrowed from the creased from 17 gm in 1975-76 "loan sharks" or would have to 45 gm in 1981-82 and chances are, this would have vive, and these people would increased further by the 90s.

tween the crops. The Soil Research Develop-

tor. As a step to commercialize agriculture, the Government

or pulses, not only rice production would be offset by sweet potato or pulses production but also farmers would have an option to weigh the economics be-

Presently we are following a 'market economy' concept as such if the production of paddy is governed by that principle, the farmers should be able to pre-determine a cost pride and a sale price to arrive at a meaningful decision whether to grow paddy or some other crop. Although farmers cost of production of paddy could be reasonably estimated, his sale price is a very big unknown fac-

solutely essential that developmercial basis is one of the very country out from the victous circle of poverty and upgrade ourselves to an "aid-free" country because it is only than that we can live with dignity in the