

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 wrath 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 countries.

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.

MUCH has been said over the years on the positive and negative aspects of the schemata of industrialisation 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 full-scale 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 pursued, 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

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 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 development.

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 industrial undertakings.

The dramatic re-ordering of economic and industrial policies in the past few years has created an extraordinary new situation. International financial institutions underwriting the so-called 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 technological breakthroughs.

Pluralism Best for Indonesia

Perla Aragon-Choudhury writes from Manila

Religious tolerance is advocated for the world's largest population

formal education in Indonesia, Egypt and Iraq and became a Muslim scholar. As the grandson 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-help projects and rural banks.

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 Shariah 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 says.

Indonesia has the world's 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 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.'

To the Editor...

Industrialisation and EPZ

Sir, The process of industrialisation is being seriously hampered due to worldwide economic depression, which has invariably resulted in large-scale unemployment. It may be 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 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.

As a matter of fact, it is the moral obligation of the Municipal authorities to check the weights used by the shoppers 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. PI 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 apprehended. However, we would appreciate a feedback from ISS on new developments in this context.

Arnold C. Gomes
Gulshan, Dhaka.

"Short weight"
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 call 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.

OPINION Commercialisation of Agriculture

Afzalur Rahman
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 million hectares of our cultivable land is being used for farming for various types of agricultural crops — major item being paddy. In a country like Bangladesh where agriculture accounts for over 40 per cent of our GDP, it is quite obvious that the majority of our people depend on agriculture for their livelihood, and, any improvements either by increasing crop output or producing crops which are economically profitable will have a direct impact on our GDP and the earning capacity of the majority of the population, which will lead to more spending/savings which in turn will lead to increased investments/demand for goods needed by this large section of the population. In other words, if the buying power of the farmers could be improved then it would immediately benefit our economy which is the crying need of the hour.

It has, therefore, become absolutely essential that development of agriculture on a commercial basis is one of the very few options left to pull our country out from the vicious circle of poverty and upgrade ourselves to an 'aid-free' country because it is only in that we can live with dignity in the comity of nations.