

More Power for Hill People

True to the ideals of good governance, the Khaleda administration has at last done a good job by delegating some of its power to the three districts of Rangamati, Khagrachhari and Bandarban. Courageous and pragmatic, such a move was long overdue. If it came earlier, much of the tragedies, blood-letting and souring of relations between the locals and non-locals there could be avoided. Although somewhat belated, perhaps not too little and too late, this new initiative of the government will be of tremendous help in the task of confidence-building among the tribal people of the hilly region in the east.

It is because of several virtues of the agreement between the government and the local government parishes of the three hill districts that most of the contentious issues at last look set to be resolved — some of them within a short time and others in future. There is no denying the fact that the time to time eruption of local-non-local feuds owes to a large extent to the maltreatment of the ethnic people and the genuine threat posed to their traditional way of living and culture. The devolution of administrative power to the local parishes is a recognition of their rights and acceptance of truth. Any government stands to gain from acceptance of such realities immediately, but the long-term benefits for the country are simply going to be enormous.

The 24 separate agreements signed on a number of subjects, mostly cover the civil life and liberty of the people in the hill districts. But the key question is their unhesitant implementation. Almost an autonomy — sans defence and foreign policy matters — this new arrangement hopefully should be acceptable even to the disgruntled of the hill people who have crossed the border to live in refugee camps in India. The danger however may come from the extremists who might read in the move an act of appeasement.

This peril can perhaps be averted if vigorous campaign and steps are employed to bring about its positive results soon enough. It is not however easy to switch over to a practice that our bureaucratic set-up is hardly familiar with and favourably disposed towards. Without the co-operation of the mind-set bureaucrats effective decentralisation of administration will remain more on paper than to be a reality. At this point however, the ministries can think of an independent sort of committee or cell for monitoring the progress in the devolution of power to the local governments of the hill districts.

Instead of learning the lesson the hard way, the bureaucracy should do so from the available examples in countries like America. In the US system of federalism, almost the same principle as the one thought of for the three districts is at work. If the results of the good work are forthcoming within a short time, the return of the Chakma refugees to their homes is expected to be a matter of time. In the context of the past failed attempts to bring them back, this move is definitely going to give them enough reasons for their return. The politics of carrot and stick must come to an end once for all. The tribal people are losing now, but the loss for the country as a result of the continuation of the disputes is likely to be unlimited.

This is a strong reason why everyone's co-operation in bringing peace in the hill must be ensured. The Naniarchar violence should be a lesson for all and we hope never to hear of the recurrence of any such bloody incident. The signing of the agreements will be a fillip in defusing the tension there. The next step obviously will be to direct attempts for rehabilitation of the victims of both violence and forced migration. This calls for a huge amount of resources. But this should be managed anyhow if the peace has to be enduring rather than tenuous.

Tampering with Nature

Governments may come and governments may go, hill cutting will go on forever. This is going on in Chittagong at a time when nations of the world are becoming more and more wary of even cutting down a single tree in a city or a cluster of them in the countryside. A Daily Star report from Chittagong makes it clear how state power has been trifled with by myopic profit-mongers as hill after hill was razed to become dusty plains land for the benefit of criminals and their accessories in the corridors of administration. They did their job in blatant violation of a government ban imposed in 1983. This has been common knowledge. What was not known to many is that the government, either failing to cope with the hill-sized vandalism or not quite wanting to press the ban as forcefully as could hurt some favoured people, beat an ignominious retreat. And the Chittagong Development Authority (CDA) started allowing hill-cutting in a relaxed manner on the plea that the space yielded by the hills were very badly needed for housing the hard pressed city populace.

So the hill-cutters were making a hay-day of this thaw and down came literally hundreds of the highest landmarks — geomorphological wonders so to say — of Chittagong. Latest in this bizarre nature-killing denouement came a 10-member review committee to decide on 'permissions for hill-cutting on special grounds'. The whole administrative exercise is very evidently geared to giving permission and not to enforce a total ban on levelling the hills which amounts to very big-scale tampering with rivers.

We want to seriously ask the government how much special a ground can be as to warrant a levelling of a hill? What on earth can justify such an act? Hills that could be cut without seriously jeopardising the environment and the physical balance of the crowded Chittagong port-city, have long been bulldozed into nothing — if ever there could be such a thing as harmless hill bashing. There could now be no reason, special or whatever, to cut any one of the remaining handful of hills there. The least acceptable of the pleas for doing that would be the one involving building programmes. It is very much in the interest of the total building situation of the city that there be hills and dales bedecking the place — and a lot of them.

The Chittagong hill carnage is an ignoble testament to the abject failure of governance in Bangladesh in the face of unmitigated greed by people controlling hefty cash. This failure is vitiating our present realities and is eating up our future in measures we cannot venture to imagine.

NAFTA a Major Turning Point in Global Trade

by Munim Kumar Barai

Since 1960s and onward, the EC has gradually reduced the share of trade with the developing countries. Thus the reason for their subdued to negative response to the development in America is easy to understand. It is their trade interest that will be adversely affected if NAFTA follows the EC's way.

THE North American Free Trade Agreement (NAFTA) has got through the toughest test it was put to so far. The US House of Representatives has passed the treaty after a gruelling debate of twelve hours on 17 November, 1993. On the floor of the House, the debaters strongly fought for their own grounds with arguments for and against NAFTA. Those who were against the agreement lost the battle and it ended with the victory for the creation of the largest trading bloc in the world, accumulating a consumer of 361 million and an annual output of over \$6.5 trillion.

As we know, NAFTA is a tri-lateral agreement between the United States, Mexico and Canada to form a free trade area (FTA) in North America over a period of 15 years after the treaty comes into effect on 1 January, 1994. But before the scheduled date for implementation, the agreement must be ratified by the appropriate authorities of the participating countries. The Canadian parliament was first to accomplish the job, now the US has done it and Mexico is preparing to do so. Thus the emergence of NAFTA is a fact of the day. But as the initial heat of media extravaganzas cools down, it is the time to sit down and think about NAFTA's meaning for the member countries as well as for the outside world. Does it really hold all the rosy pictures drawn by its supporters or will it really bring all the evils as depicted by the opponents? Only time will decide who are right in their predictions. But we can make our own assessment of the available facts to see whether NAFTA will be a boon or bane to the insiders and outsiders of the region.

NAFTA's Character
NAFTA is basically an FDI-led or investment-led (and not a policy-led) economic integration drive in North America. Any integration move which is led by investment motive has a direct impact on jobs and environment along the trails of investment flows. That is, inflow of investment in some areas must

result from outflow of investment from somewhere else. So the employment opportunities created at the harbour of investment are generally created at the cost of the jobs at the origin of investment source. The volume of capital flight would be much greater if the new destination has more incentives like low-wage labour, less stringent environmental rules and regulations for new industrial set-ups. Among the NAFTA members, Mexico is placed in a more advantageous position to be benefited from the incoming investments, mostly from the United States. That is why the outcry is much louder in US over the possibility of exporting jobs with the investments.

NAFTA and Jobs
As in the debate between Vice-President Al Gore and Texas billionaire Ross Perot, the debate in the House was also dominated by the issue of jobs for the Americans. Those who opposed the agreement also opined on the giant sucking sound from the south and US jobs going to Mexico. But a majority of the study conducted so far concluded that the implementation of NAFTA would generate export-led jobs for the Americans and investment-led jobs for the Mexicans but would hold uncertain prospects for the Canadians. The US Department of Commerce estimates that for every one-billion dollar increase in US exports to Mexico, 19,600 jobs will be created in America.

The US exports to Mexico have grown dramatically in recent years. In 1985, when the present Mexican drive for economic liberalisation was about to take off, US exports to Mexico amounted to \$13.3 billion. Since then the figure nearly quadrupled to \$42 billion in 1992. This increase in exports led to an increase in US jobs, which more than doubled from 1987 to 1992 to reach well over 65 million. NAFTA, if imple-

mented as per the original schedule, provides for the phaseout and elimination of tariffs on 50 per cent of all US and Canadian industrial products like machine tools, medical equipment, electronic products etc. Immediately and within five years 65 per cent of all US industrial products will enter Mexico tariff-free. In most of those high-tech industrial products, US has a technological edge over the other producers and NAFTA is expected to give a big fillip to US exports to Mexico. G. Halbauer and J. Schott in a study predicts that in the first 10 years of NAFTA, the United States would gain 242,000 jobs and lose 112,000 — a net gain of 130,000. This gain would be mostly in advanced industrial sectors.

We know that the initiative for NAFTA came from Mexico. The obvious reasons for this move were many, creation of jobs for the Mexicans was one of them. It has a large pool of workforce, having the lowest wage rate among the NAFTA members. The average hourly wage paid by Maquiladora's is \$1.63 against Singapore's \$2.25, South Korea's \$2.94 and US's \$14.32. Maquiladora industries offer Mexico the unique opportunity to give more jobs to its people. The Maquiladora Programme which began in 1965 contains manufacturing plants that assemble components imported tax-free for re-export. The number of Maquiladora firms grew from 12 in 1965 to over 1900 by 1992, employing nearly half a million Mexican workers. These firms are situated in Mexican land spreading over 2000 miles along the US border. Most of them are owned by the Americans. NAFTA opens up more opportunities for the American investors, the chief lure in Mexico would be the cheap labour. This could entice many Americans to shift their production plants

from US to Mexico. The auto-industry, textile and garment industry could be the first on the casualty list, many other may follow later. This is the possibility that makes the Americans nervous. The Canadians have little to say, because NAFTA has little to offer them.

NAFTA and the Environment

The environment has become a thorny issue in NAFTA debate. Environmentalists argue that NAFTA will initiate a surge in trade and investment activities that in turn will put extra pressure on the already fragile environment in Mexico. Mexico has already achieved the reputation of being one of the most polluted countries in the world. NAFTA will help to aggravate the situation, environmentalists believe. To support their view, they point at the Maquiladora industries in Mexico. The sector grew quite rapidly and with little governmental supervisory role. It is widely regarded as a major contributor to the perilous environmental and social conditions around the Maquiladora's adjacent to the US border. NAFTA can strengthen the incentives for 'environmental dumping' in Mexico as the low or negligible costs of meeting pollution control regulations could motivate US and Canadian firms to relocate their firms in Mexico.

A study by Grossman and Krueger in 1990 estimated that in a scenario of free trade and investment under NAFTA, total toxic releases by manufacturing enterprises in three countries will increase by 31,759 million pounds. But the same study also found that economic growth tends to alleviate pollution problems once a country's per capita income reaches about \$4,000 to \$5,000. Mexico is at the cross-roads of the development process. The national income as well as the standard

of living is rising there. This rise should assist in generating increased political pressure for environmental protection and perhaps a change in private consumption behaviour. Moreover, experts agree that NAFTA is the most comprehensive treaty that laid down stringent provisions and standards for environmental protection. Strict adherence to environmental protection laws will minimise the damage of development to environment.

NAFTA and the Third World

What does NAFTA mean to the outside world, especially to the Third World? Will it emerge as an open regional bloc or lead to a fortress America? There are many factors which will influence the answer to these questions. The outcome of the Uruguay Round of GATT negotiations is very important in this regard. If the Round fails, NAFTA is bound to be a bloc with more protectionist barriers to the trade of outside world. Moreover, subsequent emergence of a Western Hemisphere Free Trade Area (WHFTA) in the near future cannot be ruled out. The Third World countries have a bitter trade experience with the European Community (EC).

Since 1960s and onward, the EC has gradually reduced the share of trade with the developing countries. Thus the reason for their subdued to negative response to the development in America is easy to understand. It is their trade interest that will be adversely affected if NAFTA follows the EC's way. Diversion of trade of many products from them to Mexico could be the most immediate effect of NAFTA. To them, loss of exports means loss of export-earnings and jobs of their people. Mexico could be the substitute source of many labour-intensive products like garments, textile, footwear, food-processing and so on. Diversion of US invest-

ments from other countries, especially from the South and East Asian countries, to Mexico is another cause for concern. In the future, NAFTA will weaken the developing countries' positional safety in the world trade. For Bangladesh, the development in North America may not prove to be good either. The United States is the single largest importer of our products. In 1992, US imports from Bangladesh stood a whopping \$851 million. Exports of garment products constituted the largest share of this amount. Now, in the new trading environment in North America, if Mexican garments make a dent in the US and Canadian markets outstripping our exports, then one should not be astonished. Because NAFTA might create that eventuality.

To conclude, NAFTA is a strategic economic conglomeration of three North American countries. Beyond the apparent gains of trade, NAFTA has some other purpose to serve. Its ramifications will be felt in the intra- and extra-regional economic and political affairs in the days to come. The present US tilt towards a regional trading arrangement arises from the fact that NAFTA makes Mexico a co-production ally to the United States which was losing its market of many products to the emerging economies of Asia and the Pacific. NAFTA can help US products to stay competitive in the world market. Moreover, NAFTA provides US with a leverage and a bargaining card to counter the threat posed to its economic interest by EC, Japan or any future trade bloc like the Asia Pacific Economic Co-operation (APEC) without US. So NAFTA is an economic as well as a political venture for the United States to consolidate its position in the future. For the developing countries around the world, NAFTA could carry an ominous signal. If it leads to 'open regionalism' in North America, there is nothing for them to worry about. But if it leads to a 'managed trade era' in the Western hemisphere then they have to lose very dearly in the international trade.

EWER Asians are migrating to Australia — and opinion is divided as to whether this is good or bad.

There are many Australians who believe that while the country's economy is in recession, now is not the time to be encouraging population growth. So the fewer Asians who come here the better it is.

And there is some support for the view that if immigrants are needed, then preference should be given to non-Asians anyway.

Adverse perceptions throughout Asia of Australia as a racist country have contributed to reduced Asian immigration.

Asians with a choice have opted for Canada or the United States rather than the uncertain environment of perceived prejudice and discrimination in Australia.

A report prepared by Australia's Bureau of Immigration and Population Research states that these widely-acknowledged perceptions have overshadowed Australia's natural advantages of climate and proximity to Asia in attracting potential immigrants.

The report notes that these racist perceptions often flow from the tendency of the Asian media to highlight what it describes as a 'disproportionate

Asians Re-route Trips Down Under

Vincent W Stove writes from Sydney

Adverse perceptions throughout Asia of Australia as a racist country have contributed to reduced Asian immigration

amount of attention' about the problems of Asian immigrants in Australia, along with publicity to the occasional violence by extremist elements in Australia against Asians.

The bureau's assistant director, Dr Kee Pookong stated: 'The prejudice and discriminatory aspect of Australia's earlier response to Asian and Pacific migration have strongly affected Asians' perceptions of Australia.'

Australia's economic situation has also encouraged many would-be Asian immigrants to look elsewhere. While most Asian countries continue to enjoy high growth levels, the Australian economy is still struggling to emerge from a prolonged recession.

Immigrants from South-East Asia fell to about 14,000 in 1992 from the level 10 years ago of about 20,000. The number from Malaysia dropped by more than 50 per cent, and the arrivals from the Philippines were at a 10-year low.

Two years ago, the number of immigrants from Hong Kong peaked at more than 13,500. Only 6,520 arrived in 1992. Arrivals from Vietnam dropped to

a 15-year low of 5,651 last year, down from nearly 10,000 the previous year. Immigration from Taiwan in 1992 totalled 1,434, a drop of more than 50 per cent from the previous year.

According to another report released by the Bureau of Immigration and Population Research, Australia should consider changing immigration policy to allow temporary, unskilled foreign labour — presumably from Asian countries — to help the construction of large development projects.

The report states that the trend towards temporary immigration is very much in evidence in Asia-Pacific countries with current rapid economic growth. The report was commissioned by the Bureau and prepared by researchers from the Australian universities of Newcastle, Wollongong and Sydney.

It states: 'Given that a basic premise underlying Australia's immigration programme is that immigration brings economic

benefits, it is timely to consider — as are Japan, South Korea, Hong Kong and Taiwan — forms of immigration in addition to permanent immigration to assist in achieving economic objectives.'

The report adds that proper safeguards and adequate supervision would be needed to ensure that the contracts of imported temporary workers are honoured and that acceptable working conditions are enforced.

But Dr Kee Pookong warns: 'If one were to recruit people from overseas simply because they are able to work more cheaply, there would be implications for industrial relations. The experience of Western Europe and Japan shows that the exploitation and treatment of temporary workers is really quite bad.'

For Chief Minister Marshall Perron of Australia's Northern Territory, there are no doubts about the direction the coun-

try's immigration should take; he believes there should be more of it and that there should be more Asian immigrants.

He has warned that Australia could no longer justify the small population of the vast island continent.

'When the national economy picks up and unemployment comes down, I would like to see immigration, especially from Asia-Pacific, restored to pre-recession levels and eventually increased to boost our population growth rate.'

The Northern Territory is one of Australia's least populated areas. Its main city of Darwin is closer to Asia than to Australia's major cities on the Pacific coast. Mr Perron said that even by the most conservative standards the northern region of Australia had the capacity to sustain more people than the nation's total current population.

Part of the problem is job placement. Immigration research has revealed that more Asians are employed in the professions on a percentage basis than Australian-born workers.

More than 25 per cent of workers from Malaysia, Singapore, Hong Kong, Japan, India and Sri Lanka are employed as professionals. The proportion for Australian-born workers is just under 12 per cent.

But this is not the case for immigrants from Vietnam, Cambodia and Laos. Most of them work in labouring and factory jobs, live in crowded houses and do not speak English fluently.

— Depthnews Asia

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Pension deposit scheme

Sir, About five to six years ago, after a wide publicity campaign, some commercial banks had introduced and promoted Pension Deposit Scheme among government servants and public sector corporation employees. A good number of public servants had enthusiastically opened their accounts with those banks. The scheme was very popular among all the classes of service holders.

But these days we do not hear anything about the Pension Deposit Scheme. It appears as if the scheme is dead or it is abandoned for reasons best known to authorities concerned. When contacted, a bank tries to avoid or discourage discussion on the matter. We do not know what is wrong with this once popular scheme?

We strongly feel that such a financial scheme is very helpful and necessary for all public servants, in addition to what service benefits, pension and gratuity they get after retirement. The scheme helps grow the habit of savings and also create the sense of responsibility among the public servants. The Pension Deposit is indeed an ideal scheme for the public servants.

We would request the com-

mercial banks, especially Sonali, Agrani and Janata banks to publicly clarify the facts and figures, their problems and difficulties in the operation of the Pension Deposit Scheme. We would also request them to kindly revitalise the scheme for the welfare of the public servants and also for creating the habit of savings in the country.

O H Kabir and Md Zahid Hossain Dhaka-1203

Environment

Sir, Congratulations to the Environment Ministry and concerned officials for taking a forward-looking step by attempting to ban the use and production of polythene bags. The use of these bags have reached to such extreme that the authority has no choice but to make this drastic action. I would, therefore, request and plead them not to back out on their commitment to the future generation. It is a small step towards a safe environment and healthy society.

Some might argue that for the poor, worrying about the environment can seem a luxury. One might the reasonably ask whether it makes sense to discuss expensive antipollution devices and the greenhouse effect, when so many families go

without food, medicine and other basic necessities of life. If there is an answer, it is that despair can only make trouble worse. The least we can do for our future generations is to leave a clean environment and a safe planet.

Akku Chowdhury West Nakhalpara, Dhaka

A real mockery?

Sir, The decision to ban polythene bags speaks of our over-consciousness about environment, as many developed countries have not yet banned it for various reasons — both financial and social. In our country, there are many more serious factors and lapses responsible for environmental pollution which have been overlooked for long. A sense of priority and order of merit is desired to be followed in governmental decisions.

On the other hand, curiously enough, permission has been given and even 300 acres of land in Mongla has been hastily allotted to a foreign investor for setting up an industry based on industrial wastes to be imported from developed countries. This speaks of our alarming lack of consciousness about environmental pollution and hazards.

In the name of industrialisation and attracting foreign investment, we have no right to pollute the environment of our country and endanger the welfare of the posterity. Sure enough, the nation's welfare is greater than foreign investment or any other consideration. Industrial wastes are even discouraged and objected to be dumped into mid-seas by many countries for fear of pollution

and hazard. It is a pertinent question why developed countries are not consuming wastes themselves in their own industries or their soil, having high techs and capital, recycling those into finished products? Commercially, finished products are more profitable than exporting raw materials (industrial wastes) to our country.

It is clearly understandable that developed countries want to dump their industrial wastes into our country by alluring us with baits of their investments. They are taking advantage of our present economic poverty. We should not forget that, however financially poor we may be presently, we are an independent nation with bright prospects. In the name of industrialisation and foreign investment, this kind of decision is suicidal. Our future and present generations will not forgive us for such a suicidal decision.

It is shocking that neither our intellectuals nor the political parties, the members of Parliament are raising any voice on the issue and a subject so crucial, while on other trifling issues they are found highly vocal. This is really shameful and sad.

The subject urgently requires to be written in the editorials of the national news dailies, addressed at various national symposiums participated by renowned professors and scholars and discussed there-dare in the Parliament. It will be a moral and national duty as well for every concerned citizen to throw more light on this burning issue.

Imtiaz Hussain, Dharmondi R/A, Dhaka

OPINION

Securities and Exchange Commission

— Shahabuddin Mahtab

We are up with yet another mechanism for safeguarding the interests of investors, strengthening the share market, providing capital for industrial growth, widening up the employment base — all that infuse power to the economy. At the formal inauguration of the Securities and Exchange Commission (SEC) on 14 November, Prime Minister Begum Khaleda Zia gave a clarion call to the nation for peace, discipline and stability in the civil society — all that are preconditions for a viable take-off.

The newly set up SEC has been given enormous powers, to restore the image of the money and capital market. Our GNP: Net Investment ratio is at best a marginal three to four per cents. In the absence of a dependable share market, people are investing their money in real estate, as a result of which the value of residential commercial plots have baselessly multiplied in Dhaka and the situation seems not very different, say, in Sylhet. This is so, because the people do not have safe and reliable investment opportunities.

Beginning 1972 till this date, we have not been able to build up a right business culture, and an entrepreneur class, to give the economy the envisaged take-off, the industries in the private sector which were once profitable concerns, become sick industries in no time, the tradings being mostly taken over by the state. Prosperity depends on knowledge and acumen, more so vis-a-vis competition — what the society is faced with. So the essential requirements for a take-off is as that has been —

a highly developed knowledge — technical, managerial, scientific, as the case may be. However, the past two-decade was long enough a time for us to learn.

A genuine entrepreneur expects to earn a reasonable profit for his investment. But the pseudo entrepreneurs do not have the desire to set up any industry, though they also take to the motions that are needed to get huge loans from the DFIs and the banks. The resultant outcome is that crores of taka of the public money is taken away by the defaulting borrowers. In a defaulting culture, where public money is just siphoned off to foreign bank accounts, or leads to atrocious display of opulence, it is this poorest country in the world that badly suffers. We sadly recall lessons from the Investment Corporation of Bangladesh (ICB) which failed to achieve the objective for which it was set up. And the ICB story is known to all and sundry.

So, let nothing hold us back now in this disaster prone country — of teeming millions from effecting integrity, discipline, peace, transparency and accountability at all levels. The SEC has to address itself to the basic issues and be prepared to take hard, even difficult, decisions irrespective of who is or may be involved.

It is our hope that SEC plays a major and meaningful role in the industrialisation of this country (which has hardly started) for we believe the SEC is given enough power to carry on its enormous responsibility to the nation without fear or favour.