

Jute Sector Reforms

The government has signed a Memorandum of Understanding with the World Bank for a 250 million dollar loan for the 3-year programme for restructuring the jute industry. The Jute Sector Adjustment Credit from the World Bank took quite a long time to negotiate. Meanwhile the programme for reform in the jute sector has turned into a controversial matter. The issue has been debated both inside and outside the Parliament. The government is going ahead with its programme anyway.

The formal agreement for the World Bank credit would be signed early next month. The harder part of the task will commence then. The restructuring programme aims at consolidation of the jute industry to make it viable. To survive, jute industry must improve its productivity. The level of productivity would at least have to double to reach even the performance threshold of competing countries. The jute sector reform programme aims to achieve higher efficiency through optimising production capacity, shedding redundant jobs and other measures such as retraining of personnel, reform in the labour policy, phasing out state ownership. Appropriate financing arrangements would have to be set up. Policies for improving the external competitiveness of jute through exchange rate mechanism may also become necessary.

The agenda for reforms would reduce the state's presence in jute manufacturing sector drastically. The government would have to get rid of 75 per cent of the jute mills in the public sector during the programme period, either through closure or by way of privatisation. Jobs will naturally be lost. It is this process of scaling-down production capacity and job shedding where the main source of controversy arises.

On the face of it, it would seem that by reducing the capacity to produce, the government is deliberately ceding the country's share of the export market for jute manufactures to the competitors. A closer look at such factors as current level of capacity utilisation, machinery obsolescence, world offtake of jute manufactures, might also show that this supposition need not necessarily be true. Perhaps, the government should come out with facts and figures so that the public would stand better informed and the reforms would receive wider acceptance. The government might also think of putting the recoverable assets of the mills being closed down to alternate viable use.

Jute sector reforms envisage a social safety net programme for the employees being rendered redundant. Prospect of financial compensation is said to have already attracted a fairly large number of employees to opt for voluntary retirement. The government has now added another inducement for voluntary retirement from service. It is promising bank credit to public sector employees who go on voluntary retirement to assist them in starting a new career. The safety net programme itself has a component of retraining for such people. The more the government can attract these employees to go for voluntary retirement, the less would be its need to take recourse to the harsher measure of forced retrenchment.

The huge amount of loans, nearing four thousand crore Taka, stuck up in the jute sector, had been a drag on the state-owned bank's portfolios all these years. Now they would be required to write off one-third of these loans. The rest of the outstanding debts would be reamortised for a period of 15 years, carrying an annual interest of only three per cent. For loans written off, government will compensate the banks with 25-year bonds with five per cent interest. In effect, the banks' funds would remain stuck up for years to come. Government should at least make the bonds negotiable.

Jute products will continue to face competition from synthetics. To improve the prospects of a re-structured jute industry, product diversification also should find a place in the reform programme. Product development and technology improvement should be built into the agenda for reforms. The government would be able to locate co-financiers for such a component of the programme. The European Community is said to have shown interest in funding jute diversification projects.

Why this Issue?

The Khatme Nabuwat's demand last Friday that Bangladesh government declare the members of the Quadiani or Ahmadiya community as non-Muslims and put a ban on their activities got every peace-loving citizen's hackles up. The rally from which the upsetting demand issued was held under the canopy of the International Majlis-e-Tahaffuz-e-Khatme Nabuwat. And seemingly true to the borrowed nature of issue, the congregation was attended by scholars from Saudi Arabia, Libya, Pakistan and India.

What we wish to make clear is that a positive disposition towards internationalisation of a religion, confined to its theological aspects, can make for some meritorious scholarly contributions to its academic enrichment. On the contrary, internationalisation that smacked of creation of a religious dissension, where there is practically none, would be difficult to condone. Globalisation of the sensitive aspects to a religion hardly ever helps it, let alone its politicisation. This message needs to be driven home to the organisers of such a move.

From the stand point of maintaining civic peace and tranquillity, inter-sect harmony with its majority-minority equations is no less important than inter religious communal harmony. The government deserves thanks for acting with some discretion as far as the Friday rally went. It had issued a handout for a postponement of the congregation in view of the SAF Games. But the organisers ignored it. President Abdur Rahman Biswas who was earlier reported to have been an invitee to the rally decided not to attend it.

The organisers' list of demands also stretched to removal of Quadianis from key government positions and confiscation of all publications issued by the sect. Last year 500 agitators attacked an Ahmadiya mosque injuring 30, a spectre which prompted police emplacement near their central mosque at this time around. All this points to attempted religious persecution which neither finds support in Islam nor in our Constitution.

Article 41 of the Bangladesh Constitution states emphatically: (a) "every citizen has the right to profess, practise or propagate any religion", and (b) "every religious community or denomination has the right to establish, maintain and manage its religious institutions." Besides having such a Constitution, we have a practising democracy respectful of pluralism in our society.

Uruguay Round: A New World Trade Organisation on the Way

The world trading system is getting familiar with the notion that trade should not only be free but also fair. The difficulty is that criteria of fairness are usually decided by the dominant trading partner unilaterally.

Critics have described it as the General Agreement to Talk and Talk. Even seen as a harmless pun, the appellation nevertheless captures the essence of the way things get done at the GATT.

GATT's lack of authority finds full expression in its procedure for settling trade disputes. For dealing with such conflicts, GATT sets up trade dispute panels. The panels would hear disputes between member countries but cannot usually enforce the findings. The rulings given by the GATT dispute panels do not go into effect if even one member country objects to the decision. In such a situation, the losing country at least can be counted on to object. The upshot is that trade dispute seldom get settled at the GATT.

Despite such severe handicaps, GATT did formulate the guiding principle of non-discrimination as the basis for conducting world trade. The most-favoured-nation (MFN) principle has come to be recognised as the basic premise on which trading among nations rest. MFN principle requires a GATT member country to apply the same rate of tariff and other charges on imports of the same goods from each and every member country. It cannot discriminate from country to country in realising duties and taxes on the goods imported. According to the most-favoured-nation treatment to a trading partner would thus mean that the goods exported by it would qualify for the lowest (or the most favourable) rate of duty that the importing country applies to any third country. If the tariff is subsequently lowered or raised, the revised rate will apply to all the trading partners.

Waiver from GATT rules may be availed of in a situation where a country faces unfair trade practices from another. Retaliatory measures may be taken against a country which indulges in dumping. In other words, when it unfairly subsidises its export or sells its product in a foreign market at a price below its cost of production. The country hurt by such unfair trade practices may then

bring immediate relief anyway. Coming to an understanding bilaterally is a far more practical way of dealing with such a situation. The mere threat of trade sanctions from a powerful trading nation would send the others scurrying to its doors. Voluntary restraints on exports would ensue, the smaller nations agreeing on limiting their sales to a predetermined level. If the trading partners are more equal among themselves, market sharing arrangements would probably be put in place.

In short, countries would learn to manage trade among themselves. The absence of an effective mechanism for settlement of disputes would thus encourage the growth of managed trade. Multilateral trading system would fade inexorably into the realm of abstraction.

The world trading system is getting familiar with the notion that trade should not only be free but also fair. The difficulty is that criteria of fairness are usually decided by the dominant trading partner unilaterally. Free-traders are being bracketed at times with free-riders. It would be far better if there is an arbitrator to decide on such issues. Hopefully, the new organization, WTO, will be allowed to play that role.

The conclusion of a global trade pact under the Uruguay

Round and the establishment of the WHO will not bring the misuse of dumping rules to an end. The code on dumping negotiated during the Uruguay Round had only sought to curb the application of the mechanism as a protectionist weapon. The final text of the world trade agreement would see only a watered-down version of the code on-dumping hammered out originally. In the name of clearer definitions of dumping and the ways it could be considered to have hurt domestic producers, the ability of countries to take unilateral actions in this area has largely been retained. However, the WTO will at least provide the aggrieved nation with a more effective forum for dealing with its complaint.

Unlike the GATT, WTO would have the authority to enforce its rulings. The dispute settlement procedure would be speeded up. Countries would find it more difficult to take unilateral anti-dumping action to keep out fair competition and perhaps harder to get away with it.

Yet, a lot could happen between now and 1995, the year the measures agreed at the Uruguay Round of negotiations are scheduled to take effect. To judge by the way the negotiations went, wranglings are still ahead on writing down the terms and conditions under which transformation of the GATT into WTO would come about. New debates would ensue on the purpose and objectives of WTO. Efforts could be made to tone down WTO's functions, reduce it in stature. Free-traders and, may be, also free-but-fair-traders, should remain on the alert.

ALONG MY WAY  
S B Chaudhuri

The problem is that the GATT rules also allow exceptions to the MFN principle, authorising discrimination in trade under certain circumstances. Some of these exceptions, as in the case of different modalities for regional trading, could even be seen as promoting trade as long as these do not raise barriers against outsiders. However, there are also exceptions which could be used to shut out competition. Exceptions relating to anti-dumping subsidies, government procurements, open up areas where the principle of non-discrimination in trade is often sacrificed.

Current GATT rules and procedures do not offer any effective remedy against the use of anti-dumping action as a protectionist instrument for creation of trade barriers. A GATT trade dispute panel is hardly the place to seek remedy. Nothing will happen there to

Sanctions and Stalemate Stymie Serbia

Petar Hadji-Ristic writes from Zenica, Bosnia

Two years ago Germany led the way by becoming the first European Union member to recognise the breakaway Yugoslav republics, Croatia and Slovenia. Four months later all 12 recognised Bosnia. On the second anniversary of Croatia's recognition, Germany is the prime mover behind the effort to convene new peace talks in Brussels as the stalemate continues on the front line.



mate. Serbs, with their huge, over-extended front line, would be the most vulnerable.

The Bosnian army, its commanders mostly drawn from deserters of the Serb-dominated

army of former Yugoslavia, may be short of weapons because of the arms embargo, but it now outnumbers the Serbs by more than two to one. For every Muslim family forced to flee there is someone who has stayed in central Bosnia to fight on for a place for them to return.

The Serbs have to keep control on their lines and eliminate the last enclaves within the territory they hold. They now face an increasingly organized and motivated force gathered from every walk of life.

In central Bosnia, where the Muslims are wedged in by the Serbs and Croats, the impression is that there will be no turning back. "I am a pacifist. See, I do not carry a gun," said one senior officer in the Zenica headquarters of the 5th Bosnian Corps who cut through the red tape and insisted that journalists be given unrestricted access to film.

A few kilometres away the men were armed. The commander, his young men drawn from diverse professions. They had set up their own communication lines off the roads with other fighting groups. The Muslims are not just holding ground. They are now sending saboteurs behind Serb lines to lay mines.

The Serbs' sudden raising of the issue of beleaguered Sarajevo may be an indication that they do finally want to make a settlement. Serb gunmen have held the Bosnian capital in their sights and shelled it at will,

killing almost 10,000, ever since the start of the siege on the eve of European Union recognition. It is the last card the Serbs would play in negotiations. They are now proposing that it be divided.

The question is whether the Serbs, with all the weaponry from the old Yugoslav army, some of it dug in and in place long before the war started, have won.

The war now seems closer to ending at the conference table. Will President Slobodan Milosevic have achieved his Greater Serbia? "No, no, no. We want to preserve Yugoslavia, that's all," Milosevic asserted before the war started.

His pawn in Bosnia with whom he travels to peace conferences, Radovan Karadzic, has now made it clear that the self-styled Serbian Republic in Bosnia will eventually join with Serbia and Montenegro.

Bosnia, though an independent state in the 14th Century, was considered Yugoslavia in miniature, with its mixture of people of three religions, Serbian Orthodox, Croatian Catholicism and Muslims, speaking the same language. From the days of communism under Marshal Tito it was thought to be a place where the idea of Yugoslavia would develop.

Huge areas of land have been conquered by the Serbs, who once made up just over 30 per cent of the population. They may eventually form a union

with Serbia. Then Serbia would indeed be Greater, at least in size, although the question of the lands where Serbs live in Croatia remains to be settled.

The cost in human lives and suffering has been phenomenal. It is believed 200,000 have died, 200,000 crippled, 60 per cent of the pre-war population of 4.35 million forced to flee — and the killing and displacement is still going on.

Nor have the Muslims been defeated. It is now certain that they will have their state. Serbs will have to live besides the people they have killed and stripped of their homes and possessions. Serbia itself has been ruined.

Even after a peace agreement it may take generations to recover. The poor and undereducated may still support Milosevic's Socialist Party, backed by the secret police and army, but the educated are leaving. Lack of work, perspective and unwillingness to share his ideology are the reasons. Said Belgrade journalist Aleksander Tjankic: "The middle class has been killed off."

It is doubtful whether the new borders Milosevic is trying to draw for Serbia will last. The frontiers of the Serbian state have changed more often than any other state in Europe during the past 1,000 years, according to a British historian.

There is no reason to think Milosevic can bring this to an end. His historic drive to have all Serbs in one state — never the case in history — has sent them spilling to all corners of the world. Except Serbia.

GEMINI NEWS

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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.

Motorised rickshaw

Sir, A news item which appeared recently greatly disturbed me so that I feel almost compelled to say something about it. The news was related to the plan to fit the rickshaws with small diesel motors, to make the life of the puller easier. I have witnessed the result of this in Medan, North Sumatra. A city, located in beautiful landscape in mountain air, totally choked by the fumes emerging from the motorised rickshaws! To make life easier for the rickshawallah and the riding more comfortable for the passenger it would be required to improve the mechanical mechanism and give the seat a different tilt. Please do not endanger the still only little polluted air of Dhaka by a measure which will prove disastrous at the end.

H Lechner  
Directress  
German Cultural Centre, Dhaka

Traffic in Dhaka city

Sir, It goes without saying that the traffic situation in our capital city has worsened and is now in total disarray. Efforts to improve were taken many times but was of no use due to several reasons. One and probably the

most significant impeding factor is our attitude to disregard the traffic rules; while another that can be cited is our ignorance of the rules and regulations that are set forth to ensure a healthy road communication system. As a result, fatal accidents occur nearly every day; road jams are created to the misery of the commuters; so on and so forth.

Due to rapid urbanization and our high population growth, Dhaka city now faces a serious threat in coping with the demands of its inhabitants. This has in turn created a heavy pressure on the transportation sector, thus increasing the vehicular movement in the roads.

In a country like ours, where vehicles of varying speed and control ply on the streets, it is no doubt very difficult to maintain the uniformity of vehicular movement that is essential to a smooth traffic system. Still, if we were to act in the greater interest setting aside our personal benefits, much can be achieved. In this context I present below some of the factors that presumably hinder our achievements:

It is often observed that buses stop at places to pick up or drop off passengers which are not designated for them. It is a law that no vehicle should stop within 20-25 yards of any

cross road. However, it deserves no mention that our bus drivers have chosen places where it suits them most. For example, the bus stop near Shahabagh on way to Motijheel is situated just in front of the Dhaka Club. But you will never get to see buses halt there, they will be crowding in front of BIRDEM caring less for the jam they are creating behind. Similar is the situation in Farm Gate where you will find a disorder except when there are police officers around constantly shouting at them.

Not only do they stand away from the designated places but also they make it a point to park indiscriminately, which blocks the road. Most of the time they halt in the middle of the roads not even caring to park to the extreme left. And, of course, squeezing in as many people as possible and not moving from the bus stop before another bus is in sight is the normal practice.

In busy roads like the New Elephant Road, parking is absolutely prohibited as shown by the "No Parking" traffic signs every 50 yards. I still remember that even a few years back police tow-trucks were used to move unauthorized parked vehicles. But now if you go through this road any time of the day, you will find cars parked and even double parked narrowing down the space for normal traffic movement. Since this is the only connecting road other than Manik Mia Avenue and Dhaka University (which most people avoid), the magnitude of vehicular movement is very high. Indiscriminate parking slows down the pace of movement leading to traffic jams.

There is now a tendency of the rickshaws to travel on the roads and in the lanes specified for speedier vehicles. No doubt the number of rickshaws plying on the streets has increased, but even when there is enough space in the left, they tend to move to the right. This, obviously, slows down the motorized vehicles at the back and even poses risk for the safety of the rickshaw passengers.

Most of our drivers and rickshaw pullers, and even pedestrians are either not aware of the traffic rules or are driven by the attitude not to abide by them. As it can be seen often that even after the red signal is lighted rickshaws, buses, and cars race through the crossings at the risk of the lives of the passengers.

All that we need now is the right attitude to act accordingly and to make the people aware of the traffic rules and regulations. If we succeed, it will not work wonders overnight but surely make our rides through-out the city more comfortable.

Naimur Rahman  
Dhannondi, Dhaka

Fundamentalists at it again

Sir, A grand rally was held in Dhaka where a group declared the kadianis as non-Muslims. Following the trend in Pakistan this group has been targeting the kadianis for quite some time and even recently attacked their mosque.

This problem has to be dealt at the root. Fundamentalism has to be stopped. The spirit of our liberation, when we fought a bloody nine months war of independence, was to establish a

Bangladesh — a country, a nation — where men, women, and children will not be discriminated for one's belief, faith, sex, caste or occupation. After 22 years let us not throw that pledge and hand over our glorious victory to the enemies of those principles.

Let us once again pledge to fulfil that commitment we made to our motherland when the Pakistani guns, tanks and artillery roared their mighty howl and wanted to raze us all to the ground. We stood up against that brutality and fought like the mighty Bengal Tigers and now we must stand by our motherland once again.

Akku Choudhury  
Nakhapara, Dhaka

Prokrichi vs BCS (Adm)

Sir, Reference the Opinion "Prokrichi's True Goal: Reform or Power" of Mr. Azad Rahman, published on 21st December '93 in "The Daily Star". The Prokrichi is claiming the change is for 'Reform'. However, even if it be for 'Power', is it not better to distribute the 'Power' to 26 BCS Cadres instead of being monopolized the same in one cadre BCS (Adm)?

M S Haq  
Babar Road, Dhaka.

Bank affair

Sir, With reference to the recent comment of the Finance Minister in respect of granting loans to the MPs, may I please furnish the following opinion:

The Finance Minister will appreciate that the criticism arise not for lending loan to certain MP by a government sector

Spelling errors

Sir, The Bangla Academy has recently expressed its concern at the use of wrong spelling of Bengali words in banners, festoons, floral wreaths etc. The Academy requested all concerns to use correct spelling of Bengali words. It may be mentioned here that this year the main theme of Ekushey is 'Shuddha Banane Bangla Likhon' (write Bengali in correct spelling).

Meanwhile, I would like to draw the attention of the concerned authority in the President's and Prime Minister's offices to see if Bengali words are correctly spelled on different official papers used by the highest executives of the country. If I was not wrong to detect, I am afraid, the 'Sraddhanjali' spelling was not correctly written on both the floral wreaths placed by our President and Prime Minister respectively on the National Monument on the Victory Day, 1993.

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