Founder-Editor: Late S. M. Ali Dhaka, Thursday, December 30, 1993

Optimising Benefits to

Farmers The session of the Regional Commission of the Food and Agriculture Organisation (FAO) on farm management, held in Dhaka recently, stressed the urgency for evolving integrated farming systems for bringing out multiple benefits from the land. However, the benefits of integration will not accrue to the fullest possible extent if the exercise remains confined to agro-systems only. The move on integration should extend to agro-processing as well. Integration of farm management should aim at not only making the land yield more crops but also to optimise the return to the grower.

The fall in Aman paddy prices for the second year in a row brings the issue of ensuring a fair return to the farmer in sharper relief. Some argue that low paddy prices would not hurt the farmer that badly as the yield per acre has risen so that his total take from the land would increase. In other words, although the farmer is getting less by way of unit price for the paddy, he is raising a higher quantity of produce from the same land area. Thus, his total return has improved. He could even be better off.

There is something to this argument but not all that much. True, the yield of paddy per hectare in this country has risen to 2.7 metric tons from 2.1 in the mid-eighties. However, it is still way off the world average of 3.5 and nowhere near South Korea's yield of 6 metric tons per hectare. On the other hand, to raise the yield, the farmer has to spend more on inputs such as fertilizers and pesticides. The government is withdrawing subsidy on inputs. Naturally, inputs now cost the farmer more. On balance, low paddy price is more likely to reduce the farmer's total return on the land despite higher yields.

In the past, the government would support the price of rice through its procurement programme. Donor agencies had been asking the government to take a policy decision if the objective of domestic procurement should be only to provide food for targeted programmes and for a food security stock, or should it also be used to stabilise rice price. To judge by the tiny size of the procurement programme for the Aman crop this year and also the way of its implementation, it would seem that a choice has already been made. The government would no longer support rice price through its procurement programme.

Given the government's adherence to free market economy, the choice could not possibility be otherwise. Besides, domestic procurement had also been inefficient and wasteful in the past. What is more worrisome is the fact that the policy shift has come before an effective mechanism could be devised to ensure the farmer a fair return on his produce. The rice marketing system still remains archaic. On the basis of a recent survey conducted by it, the Consumers Association of Bangladesh says that there is an alarming price difference of over 19 per cent between wholesale and retail price of rice. By all account, the difference between the wholesale and producer's price is far wider. Thus, an efficient marketing system would have, in all probability, assured a far better return to the farmer than he gets now.

Perhaps an even more effective way of ensuring a fair return to the grower would come through improved agro-processing and more efficient utilisation of the by-products of paddy and rice. Experts say that paddy husks can be compressed into briquets for higher fuel efficiency or put to use as a raw material for making silica or several other silicate compounds.

Rice bran yields edible oil and the residual deoiled bran cake can be turned into high quality poultry feed. Páddy husk and straw can be converted into boards for use as construction material. Straws could also prove suitable for making pulp for manufacturing paper. Needless to say, the more the commercial uses for such by-products are found, the higher will be the return to the rice farmer. Low price for rice would not then hurt him so much as it does today.

Our Debts to Shilpacharya

Zainul Abedin was unique both as an artist and an art-activist. And the man housing such demonic powers of creation and love inside himself was hardly any less unique. To him we owe our best art treasures which immortalise for eternity the reality of the worst trying times of our national being However, the 'famine pictures' apart, he would ever stand out as the most sensitive portrayer of Bengal life at its truest — or to borrow a musical term the Bengal Pastoral. Sure enough his claim to undiminished glory doesn't rest alone on the relevance of his subject-matter to our national life. He was a painter of rare gifts and rarer achievement. Drawing was his forte and he possibly at times surpassed even the great Nandalal in this genre. His water-colours were as distinctive as they brought out the special charms of the medium. His colours and compositions are yet to find a match in this land.

It is less for his greatness as a painter that we remember him every year on December 29. But for him the art of painting wouldn't have found its rightful place in the life and society of Bangladesh. He is the creator of the first and foremost academy of art in this country. But that is of less importance than what he brought about centring on this institution. An endeavour in the field of visual arts and the artists working in this domain are traced back to his persistence and success as an art activist. That is how the epithet he is being honoured with Shilpacharya — is so apt.

Very little has yet been done to collect and preserve his works in any manner deserved by this our national hero. Serious attempts should be made by the government to set up a Zainul Museum, comparable to the Kroeller-Muller in Holland that houses the best and the most of Van Gogh's. His evaluation also has remained sketchy and unworthy of his greatness. No one has still even thought of making a documentary on his interesting life and important work.

It is a shame that his birth anniversary is not observed on the national level. We don't ask for a holiday. But we could at least name an avenue after him.

Rise of the Buddhist Right in Shri Lanka

Will there be another anti-Tamil Hysteria?

Tamil backlash in response to the Tiger butchery.

In Colombo and other urban centres, middle-class Sinhalese Many had feared a repeat of the 1983 island-wide anti-Tamil openly express anger and despair at what appears to be the riots. If that happened, the Shri Lankan Military's worst de-United National Party's (UNP) feat in the decade long war dream of making Shri Lanka a against the Tamil guerrillas. newly industrialised country by the year 2000 is certain to shat-Nearly 400 soldiers and sailors were killed in one day as

THILE the Shri Lankan

army and the Libera-

tion Tigers of Tamil

Eelam are licking their wounds

after the fierce mid-November

battles in Jaffna, Shri Lanka's

ethnic relations have taken a

turned out to be the most vio-

lent of a civil war in which

60,000 people have lost their

dominant community was

wounded. Some Buddhist

monks and lay religious leaders

have begun suggesting that the

war against the Tigers is not be-

ing properly conducted by the

emotions are running high, the

government is sighing in relief

over the absence of an anti-

Even though nationalist

The pride of Shri Lanka's

lives since 1983.

generals.

turn for the worse.

the Tamil Tiger guerrillas over-The defeat, notwithstanding ran a major government naval the Pooneryn battle on the base at Pooneryn, 200 km north southern bank of the Jaffna laof here. The Tigers, although goon, has already become a losing as many of its own fightdefining metaphor in the couners, completely ransacked the try's politics. base on Nov 11. The battle

A rapprochement between the Sinhalese and Tamils is no longer in the political agenda of Sinhalese political leaders. Sirima Bandaranaike, leader of the main opposition Sri Lanka Freedom Party (SLFP) summarised the mood of the southern politicians when she demanded that the entire nation be placed on war footing.

Such a challenge places President Dingiri Banda Wijetunge's government in a quandary. Urbane government spokespersons have been assuring donors and foreign

The stage is set in Shri Lanka for another orgy of anti-Tamil hysteria, says political science professor Jayadeva Uyangoda, from Colombo, in this analysis for Inter Press Service.

investors that the UNP regime is committed to a negotiated

political settlement. But extreme Sinhala nationalists who are given a larger-than life image in the "independent" press are unlikely to allow any move toward a negotiated political settlement. They are encouraged by Wijetunge's repeated claim that Shri Lanka does not have an ethnic problem, only a terrorist

Wijetunge, unlike his predecessor Ranasinghe Premadasa seems to believe he can win the elections next year purely on the Sinhalese vote.

The reluctance of the opposition SLFP to take a stand that will reassure ethnic minorities only deepens the chasm be tween Sinhalese political parties and the Tamil and Muslim communities.

It is Shri Lanka's continuing tragedy that this 10-year-old ethnic war has produced its own logic of renewal and reproduction with vigour and vitality.

Every military setback as well as victory is understood both in Colombo and Jaffna as a valid reason for a fresh start of the war. Thus, re-invigorated offensives have been repeatedly launched on each other in recent years, either to avenge a defeat or to score another tri-

Both sides talk about their willingness to negotiate a political settlement. But the two adversaries want to negotiate with each other from a position of military strength. The fighting can then go on and on until one side is annihilated. Such is the

tragic momentum of Shri

Lanka's ethnic war.

While the controversy over the Pooneryn defeat is raging. the parliamentary select committee boycotted by Tamil parties in its last stage of deliberations has submitted its proposal for a devolution package like the Indian model of federalism But in difference to the Sinhalese nationalist antipathy towards the word "federalism" the select committee has avoided the controversial term hence the euphemism "Indian

An optimistic interpretation of the outcome of the select committee's arduous exercise is that the UNP and the SLFP, the two major Sinhalese political parties, have agreed on a politi cal package that envisages more devolution to Tamils.

But sceptics say neither party would commit itself to the full implementation of the select committee recommendations. because of the fear of a Sinhalese nationalist backlash.

The Tamil parties say the select committee has failed in the

crucial test of meeting their demand for the merger of the north-east, where the population is mainly Tamil

Shri Lanka's predicament is its Sinhalese political leaders have yet to realise that, except for a vocal urban-based minority including some academics. no significant segment of the Sinhalese populace would oppose the peace option.

The post-Pooneryn scenario has also set the context for the emergence of a Buddhist rightwing party whose meetings currently attract only small groups of frenzied monks and a few academics.

In addition to clamoring for a revamped military campaign to crush the LTTE, the Buddhist nationalists are directing their energies against a recently published book Is Buddhism Be trayed by Harvard anthropology professor Stanley Tambiah.

A Shri Lankan Tamil, Tambiah writes about the rise of political Buddhism. His antecedents and the fact that the book is partly supported by a UN-affiliated group in Finland. are being used by the right-wing as evidence of an international conspiracy to malign the Sinhalese race and Buddhism

The stage is set in Colombo for some mass hysteria.

Long-term Loan: Project Supervision Necessary for Success

by Md Khalilur Rahman

T OW-A-DAYS both commercial banks and development financial institutions (DFIs) go for long term loan. This however, was not previously widely practiced by the commercial banks. The primary objective of the DFIs is to encourage the emergence and growth of productive enterprises which can contribute to national development — by extending to them financial and related forms of assistance. The assisted enterprise also has to generate the benefits expected from it and become a viable production unit over a period of

Failure of the enterprise and its inability to repay loans not only means non-attainment of the DFI's objective but it eventually affects the liquidity of the DFI itself and, ultimately, its viability. It is, therefore, very crucial that a financial institution concern itself with the activities of an enterprise even after financial assistance has been approved. It is essential that the bank establish a longterm relationship of partnership with the entrepreneurs with respect to the continued viability of the enterprise, its growth and development and extend advisory services and further assistance, if necessary.

The success of a bank, as such, is determined, by the success of the enterprises it created or assisted — the ability of these enterprises to generate the expected benefits and their capacity to pay back obliga-

The bank should see to it that its loan portfolio remains sound and healthy. In the final analysis it is the health of the loan portfolio itself which determines the bank's own viabil-

While steps have been taken, prior to approval, to reasonably ensure that an enterprise will remain viable, follow-up activities have, likewise, to be undertaken after approval to safeguard the health and viability of the enterprise. These follow-up activities, related to the task of maintaining a sound and healthy loan portfolio after financial assistance has been sanctioned, are normally referred to as Project Follow-up or Project Supervision.

Follow-up Function

The objectives of the followup function in a development bank are: To ensure that assisted projects are implemented timely and operated satisfactorily; to identify critical areas in the functioning of client companies and diagnose symptoms of any incipient weakness; to nurture units promoted by first generation entrepreneurs during the critical period of adjustment and survival; to provide feedback which would be useful for processing new applications for financial assistance: and to nurse and rehabilitate ailing companies with a reasonable chance of revival through financial and managerial sup-

The role of banks in the follow-up area is not a passive one; nor it is limited to monitoring. Banks are required to play a positive role to assist clients in overcoming problems during project implementation and thereafter. Different stages of project supervision are: Pre-disbursement stage, disbursement stage, construction stage, completion stage, and operating

PRE-DISBURSEMENT STAGE: Follow-up activity be-

gins not so much after the start of implementation of the project as immediately after the sanction of the financial assistance. The immediate post-sanction period involves a dialogue with the promoters to see that the stipulated pre-conditions are fulfilled. At times, a practical approach is necessary when the

of pre-conditions. Intensive monitoring efforts are required on the part of development banks during the construction period. Delay in project implementation may occur due to managerial deficiencies or due to time taken in obtaining approvals and permission for acquiring land, construction of factory premises, import of equipment, obtaining

situation calls for modification

water or power connection, etc. Time overruns which inevitably lead to cost overruns and other difficulties during implementation could seriously affect the long-term viability of the project. It is imperative, therefore, for a development bank to constantly watch projects under implementation and ensure that actual costs do not vary too widely from the estimates. However, where overruns are unavoidable, timely action should be taken to devise a suitable financial plan to assist companies in obtaining funds for completing the projects.

DISBURSEMENT STAGE: It is necessary to disburse funds in accordance with purpose for which they were granted; and review carefully any request in proposed changes in loan utilization.

CONSTRUCTION STAGE: It is necessary to send to client list of information required for submission on a regular basis

(usually quarterly); monitor progress of construction conduct quarterly progress. visits to check on implementation and to anticipate any time/cost overruns; confer with client on any anticipated or existing problems and give advisory services; and prepare construction progress report after each visit as feedback to Appraisal Unit and Management.

COMPLETION STAGE : Al though success in project conception, planning and implementation normally indicates potential success of the unit during its operational phase, timely implementation of projects alone cannot assure its viable operation. For instance after commencement of commercial production, factors such as competence in marketing, vendor development, motivating professionals and financial judgments determine the suc-

cess of a project. The early years of operation are critical in the life cycle of a project. Entrepreneurs face challenging situations during this period. By the time a unit commences commercial production, financial constraints may pose problems in the dayto day operation of a unit. During this phase, gaining the confidence of bankers and suppliers is an important facet of management. It is also a phase when the entrepreneur's ingenuity in accepting the challenges of a competitive marketing environment is tried and tested. The entrepreneur has to carefully gauge the reactions of his competitors to his entry and select an optimal mix of price, promotion and distribution strategies to make his marketing programme successful.

Some of the weakness in project concept and implementation may become evident only after the project has gone on stream. Deficiencies during implementation such as purchase of unsuitable machinery and defective installation may result in "teething" problem of

Non-availability of power or frequent interruptions in its availability could also pose problems in reaching the full capacity. There may also be problems in getting raw materials, labour problems may surface right at the initial post construction stage. During the inflationary phase, while the unit may be facing difficulties by way of escalating input costs, the market situation, on a account of competition from existing established manufacturers, may not permit the unit to increase the price of finished produces. Quite often, inadequate infrastructure and afflu ent disposal do pose problems to new units. Drastic changes in government policies, sudden withdrawal of incentives and protection may also affect the viability of projects.

OPERATING STAGE: This is the resulting phase of all the above stages. If the activities of all the above stages are successfully accomplished, the op erational stage becomes a success. In short, this is the feed back stage for management.

Management Information System during Follow-up

It is important for any bank to keep itself well informed of the activities of clients through a regular reporting system. The system should cover the operations of assisted companies in sufficient detail. Sometimes en-

trepreneurs may be unwilling to provide information on the operations of the units managed by them. The bank would have to convince its clients that the information being collected by it is no more than what clients themselves need to keep track of their operations.

Follow-up visits are essential in monitoring the progress of the projects, in assessing the performance of clients and in understanding the nature of the problems faced by them. Discrepancies between projection and actual performance and the problems that come to light from the reports and impression during periodic visits provide a useful basis for a dialogue between the development bank and its clients. Usually, the client himself knows his own business best, but the development bank may have advice to give based on its wider range of experience and an overview of industries.

No development bank relies solely on formal reporting either from its own officers or from the clients themselves. In several cases, it may be necessary to appoint a nominee on the Board of Directors of client companies to get an insight into their operations. An alert nominee on the board often may have a chance to give advice at the most op-

portune moment. In addition, a development bank also receives information from other sources about the operations of its clients. Information obtained informally from competitors, suppliers, buyers on others apparently not connected with the client company, may often prove invaluable.

The writer is Assistant Vice

President, IFIC Bank Limited Dhaka

LTHOUGH King Norodom Sihanouk's new I 'courtier's may have declared his royal highness to be above criticism, the same does not hold true for the merely mortal efforts of the United Nations Transitional Authority in Cambodia (UNTAC).

'UNTAC had two things to do in Cambodia,' said Som Mean, Chief of Agence Khmer de Presse, the new government press agency, '(make) peace and bring democracy, and they couldn't guarantee either. The last batch of UNTAC forces left the country in mid-November.

To its everlasting credit, however, UNTAC achieved several notable accomplishments: an overwhelmingly successful election, a changeover from the former Vietnamese backed govemment to a multi-party constitutional democracy, the repatriation of over 340,000 Khmers from Thai border camps and, after a few stutters, saw Norodom Sihanouk restored to his throne.

Although deserving praise for these achievements, the UN should not allow world press euphoria to prevent it from facing one inescapable fact: UNTAC failed to achieve most of the major elements assigned it

UNTAC Success Fails to Disarm Cambodia

under the 1991 Paris Peace Accords - the cessation of hostilities, disarmament of the opposing factions, especially the Khmer Rouge, and failure to place the warring troops in cantonment

The inability to create a neutral political environment was at the core of UNTAC's lapses. This encouraged divisiveness early on among the competing factions. The Khmer Rouge, for example, continued to fight throughout the 'peace process,' periodically going on unpunished killing sprees of ethnic Vietnamese.

Thus, an armed environment was created followed by extreme fear and doubts about whether the approaching election would be 'free and fair.'

'New York was not ready to handle large operations like Cambodia,' said Eric Falt, UN-TAC spokesman, 'there were no ground rules. We didn't know what we were getting into.'

In a study for the Norwegian Institute of International affairs, Report on the Cambodian Peace Process, authors Jarat Chopra, John Mckinlay and Larry Mincar, take aim at UNTAC's plan-

Tony Gillotte writes from Phnom Penh The inability to create a neutral political environ-

ment was at the core of UNTAC's lapses ning and insufficient deploy-

ment methods. Their findings note that UN-TAC failed to effectively deploy its major military, civil administration and police components and noted this would have farreaching implications for future UN peacekeeping ventures.

Originally, UN plans called for the early establishment of impressive logistical support in Cambodia before sending in troops to back them up.

But the report's other major conclusions reflect the UN's bureaucratic slowness and delays which prevented effective early deployment of UNTAC's majorcomponents. The authors declare that UNTAC's preparation and planning was inadequate and failed to anticipate prevailing conditions.

In addition, UNTAC's military deployment was poorly coordinated with units arriving out of sequence with infantry

units preceding the logistic infrastructure. This meant that Cambodian factions were not met by an effective UN presence and quickly lost confidence in

the peace process. Finally, the civil administration component was also delayed in its deployment which permitted the warring factions room to resist UN penetration of their administrative institu-

UNTAC's successes were duly highlighted: the human rights component effectively propagated the principles and standards of human rights as well as establishing neutral judicial institutions by training policemen, judges and lawyers.

The electoral component was well prepared for its tasks (relying on Namibian election experiences) and established an early presence. It registered voters at a faster rate than expected. However, since UNTAC

was unable to create a neutral political environment' there were serious misgivings about the violence and intimidation during the campaign period.

The report notes that above all, UNTAC planners either disregarded or failed to take ad vantage of the powerful effect of a sudden, well organised arrival of an international force. This was especially true in the remote (Khmer Rouge) areas where their impressive appearance could have had a stabilising influence.

In retrospect, the Khmer Rouge's continued testing of UNTAC authority seems easily explained. When armed representatives of the world's most powerful nations finally arrived with such lack of impact,' the report concludes, 'the Khmer Rouge were tempted to challenge their authority.'

Other UNTAC components began to suffer widespread criticisms as well: the civil administration, information and education, military, rehabilitation and, especially, the inflexible civilian police division for its generally hands - off approach.

Meanwhile, the emboldened Klimer Rouge slaughtered hundreds of ethnic Vietnamese and local Khmers right up to the elections. But surprisingly, and possibly through miscalculation, the Khmer Rouge did not attempt to disrupt the elections then selves.

Given the difficult conditions of warfare and Khmer Rouge unpredictability, it's hard to know whether better planning could have prevented Khmer Ronge attacks and the steadily increasing number of wounded and deaths among UNTAC personnel and the local population.

In general, UNTAC was criticised for employing poorly prepared foreign troops from countries whose development level was barely above that of Cambodia. UNTAC justifies its babel of tongues approach by noting that many countries were not prepared to provide an adequate number of troops needed for the mission.

The election was UNTAC's one undisputed success story. Its effectiveness in convincing Khmers their ballots would be secret must be considered the turning point of the peace pro-

- Depthnews Asia

Antifolium of the approximation with discontinuous and the control of the control

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.

Democratic government and the police

Sir, Like other universities in Bangladesh, the University of Rajshahi has frequently been rocked by student violence which claimed several young lives. It has been one of the major causes of concern for the whole nation. Despite this common problem of campus violence which the University of Rajshahí shares with other uni-

versities, this particular insti tution has become unique at least in one respect. The teachers of this University have become victims of police-beating

Surprisingly, it did not happen during the autocratic regime of President Ershad; it happened during the BNP rule - first under President Ziaur Rahman in 1979 and then very recently under Prime Minister Begum Khaleda Zia. On both occasions the teachers were

beaten not for attacking the police or for any such violent action. They were so beaten either for protecting their students from police action or delivering (outside the class room) lecture on culture.

In many countries of the civilized world the police is not a repressive force, it has many sacred duties to the members of the public. Unfortunately, the police force in Bangladesh has the record of being used as a repressive tool. The government uses this force unscrupulously against its political opponents.

Ironically, the BNP, during the Ershad regime, was the victim of such police oppression. While the present government takes credit of being elected democratically, it uses the police force most undemocratically and irrationally. Attacks on the

pressmen in the National Press Club, on Begum Jahanara Imam, and recently on the teachers of the University of Rajshahi are among the few to mention.

It is true that the present government is a democratic one, but it must not be forgotten that accountability is one of the important features of democracy, Any over-doing by the police has to be investigated and the responsible persons punished. We are yet to see it. Ruthless use of force may alienate the ruling party from the people who voted it to power. Such alienation led to the downfall of the previous government. The present government should, therefore, take lesson from the past.

Dr Nurul H Choudhury University of Rajshahi

VI SAF Games: Expectations and achievements

Sir, The long expected SAF Games was opened with great enthusiasm and held at Dhaka from December 20, 1993. All the members of the SAARC countries including the host country Bangladesh, participated in their respective events as per schedule of the games Meanwh le Bangladesh achieved tremendous success receiving eleven gold medals so far; among which seven in shooting, two in swimming, one in boxing, and one in 100-meter sprint. The expectators cheerfully paid tributes to their unprecedented achievements and honour earned for the nation.

However, the Bangladesh football team frustrated and disappointed us very much.

Their performance was of a very poor standard, but why? It is learnt that our Government has spent a nuge amount of money engaging foreign coach to upgrade the standard of our football, but in vain.

We have noticed with great dismay that our national football tears also in the past disappointed us while representing the nation abroad. We draw attention of our Ministry of Games and Sports to provide more facilities to our national teams of cricket and hockey by engaging foreign coaches for a long period - specially training the hockey team to play on astro turf. With their recent performance we are rather optimistie about cricket and hockey. So please do it, if necessary, curtailing the budget on fclotball.

Advocate Md Mujibur Rahman North Bashabo, Dhaka