

Interview with BUP Chairman

New GATT Reforms, but Newer Barriers against Third World

by Rashed Mahmud Titumir

MUCH talked about GATT accord came into being on December 15, 1993. In line of recently concluded agreement and on going emphasis upon environment, the UNCTAD organised a South Asian regional workshop on Trade and Environment. 40 experts from regional and international organisation attended various brain-storming sessions.

The conference discussed issues related to the promotion of sustainable development through trade, and making trade and environment mutually compatible.

It also viewed on processing of product and package-related environmental considerations now being developed in the context of international trade.

Southern perspectives, particularly those, that are relevant for South Asian countries have been strongly voiced.

Dr Qazi Kholiqzaman Ahmad, chairman, Bangladesh Unnayan Parishad, and Dr Fashiuddin Ahmed, former planning minister participated from Bangladesh in this UN sponsored conference.

To know the outcome of the conference, The Daily Star talked to Dr Q K Ahmed.

The excerpts of the interview follow.

DS: The Daily Star (DS): In this age of globalization with particular focus on free trade, do you see an economy like Bangladesh's participating in the process advantageously?

QK: International trade indeed has an important role to play in the economic development of a country like Bangladesh. Acceleration of economic growth in such a country requires increasing importation of necessary capital goods and materials which in turn requires more and more foreign exchange. Obviously, expansion of exports is a better strategy than seeking foreign aid to acquire necessary foreign exchange. In fact, international trade has been playing an increasingly important role in the world's economic growth. It may be worth noting in this context that over the forty years from 1950 to 1990, world trade increase eleven-fold to about 3.5 trillion (in 1990 \$), having grown over twice as fast as the world product.

There are two important questions here.

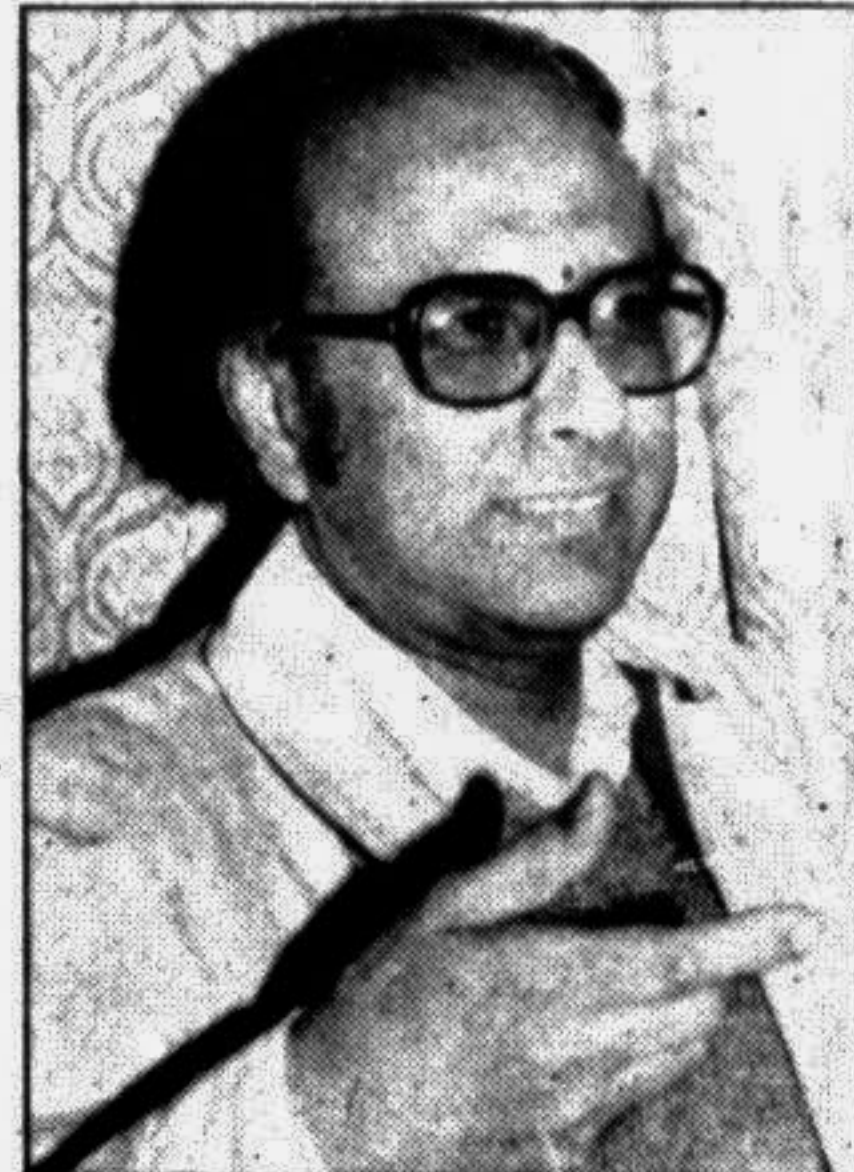
First, is then international trade to be considered engine of growth? Second, is free trade necessarily better than regulated trade or even no trade, particularly for a poor country like Bangladesh? The answer to the first question is that while trade is important, it is technical change that is actually the engine of growth.

Novel laureate economist Sir W Arthur Lewis has argued that international trade serves as lubricating oil in the process of growth spearheaded by technical change as the engine. I am in full agreement with the argument that technical change is the crucial element in getting agriculture moving in low income countries where agriculture still accommodates the majority of the labour force and where agricultural productivity is still low. Export of surplus agricultural output in commodity or processed forms may expand as a corollary of the consequent development thrust. But for successful expansion of such exports, supporting institutional and financial infrastructure would be needed.

Technical change includes both hardware and skill development. I would, therefore, suggest that while export expansion can be an important strategy, investments are needed for acquiring or developing appropriate technologies and implementing training programmes to develop appro-

appropriate skills to power the engine to thrust forward.

In so far as open and free trade is concerned, this is not necessarily beneficial to the very poor countries, the simple reason being that they are very much weaker parties in a highly unequal environment. They suffer from adverse terms of trade and trade barriers of various types. While it is difficult to expand export, imports grow fast because of better quality and competitive prices of exports from advanced and relatively stronger economies and multinational companies and also because of effective, aggressive and at times even unfair marketing strategies adopted by them. In other words, the price mechanism does not function properly, which is at the heart of the argument that the free trade is beneficial to all participating countries. In reality it is the market power that makes the kill. In order to benefit equitably from free international trade the poor countries must improve the competitiveness of their various economic sectors and activities through carefully designed interventions towards mitigating the



disadvantages of inequity. This can be related to the argument put forward earlier that technical change has the pivotal role in moving the economy forward and the process may be lubricated by international trade.

It is, therefore, important that a poor country like Bangladesh must construct its growth and trade strategies on the basis of the strengths and weaknesses of its own economy as well as by carefully reviewing various aspects, in place or emerging, of the international trade regime. Particularly the implications of the various multilateral trade agreements as well as trade related rules and regulations in the advanced countries. One should also watch out for unfair practices of the international economic power structure, including the multinationals.

DS: Uruguay Round of General Agreement on Tariffs and Trade (GATT) was completed on 15 December 1993. Would poor countries benefit as a result? Would Bangladesh?

QK: Ultimately, the GATT Uruguay Round negotiations were mainly among OECD countries, particularly between the USA on the one side and Europe, especially France on the other. Sticking points included agricultural subsidies, subsidies on audiovisuals and aircraft, financial services and anti-dumping laws. The deal struck was, in the main, the result of compromises made or satisfactions achieved by them. The poor countries had to tag along. Hence, most of the benefits in terms of increased trade,

employment and income that the deal will generate, which may be substantial, as a result of reduction in tariffs by about a third or more, will accrue to the rich countries. Primary commodity and low-tech goods exporting poor countries may continue to be losers.

Since there will be no change in the basic international economic and trade power structure, the poor countries will continue to face adverse terms of trade and non-quota and non-tariff barriers that can be devised and implemented by the wealthy nations. For instance, the emerging environmental trade conditionalities can hurt exports from developing countries to OECD countries. In the case of textiles, quotas will be replaced by tariffs; but tariffs will be higher than on goods generally exported by the developed countries. Hence, this is a relatively poor deal for poor countries. Failure to streamline anti-dumping laws is also not good news for the developing countries, as sanctions under this provision may be used by OECD countries as instruments of protectionism against devel-

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oping countries, under one pretext or another.

Bangladesh, being one of the poorest countries, is a very marginal player in the international export trade, except in the case of jute and jute goods. It can be hurt in ways out of those just indicated and similar others that constitute a general poor-country scenario. One needs to look into relevant details of the agreement in relation to Bangladesh's trade structure and possibilities to ascertain the implications for the country and design responses to minimize losses and maximize benefits.

DS: Would you please elaborate on environmental conditionality issue with specific reference to Bangladesh?

QK: In the context of environmental conditionality there are mainly three aspects: process, product and packaging materials. Process and production method standards including packaging materials are now being developed in the context of international trade (ecolabelling) in many OECD countries. Ideally these standards would apply to both developed and developing country producers. But it is possible for multinationals and other influential companies in the OECD countries to influence the configuration of these standards to suit their interests. The developing country producers cannot do this. Hence, these conditionalities may act as trade barriers against developing country exports.

The process standards are particularly relevant in the context of location of industries. The developing countries may find it difficult to raise assistance or credits to set up or expand industries which do not meet the standards set by OECD countries. Hence, their growth may be hindered.

For Bangladesh, an important case in point is the environmental objection being raised in relation to the jute batching oil (JBO) used in the jute manufacturing process. Jute goods do have some JBO-caused hydrocarbon, but compared to the environmental adverse consequences related to the non-disposability of the alternative synthetic packaging materials, the hydrocarbon contained in jute packaging materials is negligible. Moreover, health hazards arising from packaging food stuffs in jute sacks have hardly even been an issue until recently. It is my understanding that these concerns are not of any significance. Moreover, by letting air pass through, jute sacks are more suitable for packaging agricultural products. The emerging environmental conditionality on jute packaging materials is therefore based on hollow ground; and it will hurt export of these materials, while the synthetic alternatives continue to hold sway. Of course, vegetable oil can be used in batching jute to meet the objection but that will require investments to modify the technology.

The basic characteristics of biodegradability and environmental friendliness of jute should be propagated as strongly and as widely as possible in the consuming countries through appropriate international and national fora. Bangladesh must play a lead role in this effort. Voices must also be raised against environmental concerns labelled against jute on flimsy grounds.

DS: What do you think Bangladesh can do under the circumstances to benefit more from international trade?

QK: As I said earlier, Bangladesh should seriously review the dynamics of international trade and general trade rules and regulations under GATT and those operating or emerging in specific countries, particularly OECD countries, with which it has trading relations, in order to take advantage of opportunities and design responses to the existing and emerging adverse situations in relation to its trade. However, it should be recognised that while seeking to expand exports is an important strategy the crucial development goal in Bangladesh must be poverty alleviation; and economic growth is an essential prerequisite for poverty alleviation. Hence the basic development strategy to be followed must be one which promotes growth and alleviates poverty simultaneously. An employment-based approach meets these criteria. In other words, the primary focus should be employment generation. The pattern and pace of production and the required size and portfolio of investments will depend on targeted employment generation. Sustained employment generation can occur only if technological advancement and skill development take place at desired pace, for which necessary investment must be made and programmes implemented promoted by appropriately gearing macro and meso policies and institutional infrastructure. Export and import strategies should also be geared to that end. In the context of promotion of investment, law and order situation must be improved and bureaucratic barriers dismantled.

DS: Thank you for sharing your views.

QK: Thank you.

To Achieve a Better Life

by A M Ahmed

TWO miles away in the village of Sajai Masterpara another woman, Golap Khatun stands amidst her luxuriant green banana plantation which she carefully tends with her husband. The plantation was her idea — one way to alleviate the grinding poverty which most families on the char suffer. The plantation was only possible with the help of a loan of Taka 2,000 (\$ 50) from her groups joint savings. The agency which helped form the group, Rangpur-Dinajpur Rural Service (RDERS) gives nothing for free to the landless and poor farmers whom they serve, only education and motivation to achieve a better life.

Their tiny farm — only one-fifth of an acre — is now planted with 400 young

year-old Ali Munsif stands proudly before his small tree nursery and offers the visitors fresh lemons plucked from the impressive row of mature trees which shed it. In neat rows can be found a fine selection of fruit-tree seedlings such as jackfruit, mango, and blackberry and of timber tree seedlings including mahogany, shishu and eucalyptus.

Over the last two years, Ali has developed the nursery into a successful and profitable business. Thanks to demand both from the islanders and from one or two agencies working here on tree planting projects, tree seedlings are now a valuable

gauge which he had taken from a local moneylender against his half acre of land. His homestead, where his 3 sons and 2 of his daughters live has also benefitted, with a new latrine and some new items of furniture. In the local context, a poor farmer has become almost middle-class thanks to his nursery and a little from outside.

Ansa Dilarpara School

On raised land in the middle of the island, surrounded by newly-planted tree, 197 children crowd into a small schoolroom made of flimsy bamboo huts. These children aged from 6-10 years form four primary school classes. To make the most of limited space, two daily shifts



Golap Khatun and her husband Abdul Kader in their banana plantation

banana plants and golap has already started intercropping the bananas with turmeric and ginger, adding extra nourishment to the soil by applying compost the way the project has shown her.

The income from the sale of both bananas and young banana plants in the local market will be enough to pay off the loan in full and provide a major contribution to the family budget. Previously they and their three young children relied almost entirely on the uncertain income golap's husband, Abdul Kader, earned as a daily labourer.

Ali Munsif's Nursery
In the neighboring village of Sajai Shodorpara, kindly 50

commodity. He regularly takes a selection of the small polythene seedlings to the local bazaar but receives more customers at his home since everyone on the island now knows where to come for seedlings.

As he explains, raising seedlings is a skilled occupation. Few people know how to collect seeds, how to mix soil correctly and how to water adequately, from his small tubewell. For a poor marginal farmer like Ali, however, the rewards for this skill are encouraging. Each seedling costs about 50 paisa (about 2 US cents) but can be sold for between 8-10 cents.

That income has helped Ali pay off a longstanding mort-

must be organised — one in the morning and one in the afternoon. There is no dividing wall or partition between the two classes. Only pupils in the senior classes small benches rest sit at the floor.

Very attentive, even the youngest ones are proud to show of their skills to visitors. Ansa Dilarpara school, opened in May 1991 with two volunteer teachers. Most of the children's parents never had the chance to attend school. The education of Kodaikati's children is the best sign yet that the people of the island can begin build on the promising signs of progress and build a better future.

The writer is associated with RDERS.

Using Vegetables to Cast away Caste

by Prakash Khanal

A programme designed to reduce the environmental impact of tourism while raising living standards for Nepali villagers is having another effect: narrowing caste divisions in rural areas.

Caste, which has its origins in India, is based on hierarchic divisions of society. It is prevalent in Nepal, officially the world's only Hindu state.

In the village, the caste system is strictly observed. Members of lower castes — such as blacksmiths, tailors, village musicians, barbers or cobblers — are forbidden to enter the homes of higher castes.

They have to build their houses at the far corner of the village, use separate taps to collect drinking water, and in many villages their children are not allowed into schools.

But the Annapurna Area Conservation Project (ACAP), is causing shifts in the ancient divisions. The changes are a side-effect of its main thrust, which is to ameliorate the damage caused by the 40,000 trekkers, plus their porters,

who visit the region every year to walk in the foothills of the Himalayas.

The damage ranges from piles of abandoned bottles and cans to deforestation as trees are cut to heat water to ensure the visitors can have ample food and baths.

The project also fosters local training and employment. Lalmati Viswokarma, of Rivan village, five hours walk from Pokhara, Nepal's second largest city, is typical of those who have benefitted. Married to a blacksmith, she belongs to a lower caste.

"Such people are our main focus," says Diba Gurung, the local ACAP official. "We include them in almost all the groups and committees that we help the villagers to form for various development purposes."

As a result, some caste taboos have been broken and lower caste people have been able to earn more and play a bigger role in society. Viswokarma, 50, has a fam-

ily of 12, including her grandchildren. They do not have enough land to feed themselves.

She is one of the 15-member team of 'conservation farmers' chosen from each village to promote development in the community.

The group members distribute improved seeds and tree saplings to the villages and are trained in vegetable farming, animal husbandry, poultry farming and other skills such as knitting, weaving, sewing and food processing.

Viswokarma has benefitted greatly from vegetable farming. In the past she grew only maize and millet on her land but after training she now grows seasonal vegetables such as cabbages, cauliflower, tomato and beans, previously unknown in the village.

And her family of 12 provide a helping hand for her vegetable business.

"I make enough profit to support our family and to send my younger son to school," she says. "The villagers also come to my house to buy seasonal vegetables."

Doorstep sales were previously unheard of — and the practice itself helps weaken caste barriers. As villagers of all castes beat a path to Viswokarma's door, the ice between the upper and lower castes is melting. In addition to bringing much-needed cash into the household, the vegetable sales have helped Viswokarma and others overcome their caste-induced isolation and shyness.

Says Lili Kumari Gurung, another member of the group: "Last season we grew so many vegetables that we had to distribute them to all our neighbours."

With husband Kul Bahadur she planted more than 200 seedlings of various local species of trees and 50 cardamom seedlings under winter plantation introduced for the first time in the area.

The lack of outlets is linked to the absence of roads. If an alternative market is not created for the farmers, they might go back to maize, wheat and rice, which do not rot and save their toll.

— Gemini News

Prakash Khanal is a freelance Nepalese journalist.

Strategy for Conservation and Genetic Improvement of Livestock

by Dr M A Majid

BANGLADESH has about 22 million cattle, 0.56 million buffaloes, 14.2 million goats and sheep and 86 million poultry (Agricultural Census). Most of them are of non-descriptive type and need immediate attention to conserve and improve their genetic potentialities.

Need for Conservation

The so-called indigenous cattle of Bangladesh is not truly native to the country. But through many generations of breeding it has adapted to the local environment and has already acquired useful germplasm unique to its own. Now this germplasm is threatened to extinction due to lack of sufficient effort to retain its purity and lack of selection programme as well as lack of planned introduction of exotic germplasm for their improvement. The endurance of native animal and their disease resistance to tropical animal diseases specially tickborne protozoan infections are valuable economic traits. Heat resistance is another useful trait of animal for the country. In any genetic improvement programme, a certain percentage of native animal germplasm must be incorporated to achieve the desired goal. According to a report of 1989, performance of Bos taurus breed has often been disastrous with fertility. If appropriate steps are not taken immediately to conserve the indigenous species of animal, day will come when no native germplasm will remain to incorporate for developing a breed or strain in the local environment.

Genetic Potentialities

Country's major portion of meat supply comes from cattle, buffaloes and goats. Consumption of beef is higher than

mutton since the former is cheaper than the later. Quality of beef from adult cattle/buffalo is not upto the standard due to their poor health condition and reasons of using them as draft animal before slaughter. Most of the time, young stocks are slaughtered as compared to adult one for beef purpose. A study showed that for Bangladesh as a whole 3.1 per cent of all male and 2.7 per cent of all female cattle were slaughtered at an age of less than two years. If this is not done here then it could be a large number of potential animal for contributing in the genetic improvement programme through selective breeding. On the other hand, almost all superior native bulls are slaughtered during the holy "Eid", country's biggest religious festival, which is another great loss of superior germplasm for which genetic degradation of livestock population is happening.

Open Nucleus Breeding System (ONBS) is a new option in the field of animal breeding for enhancing genetic gain in the livestock population. This system requires minimum cost, expertise and infrastructure for its operation.

Goat: Goats which are second to cattle can be considered as poor man's cow. They are multipurpose animals producing meat, milk and skin. Bangladesh goats are called "Bengal goat" which is the only recognised breed of livestock in this country. Bengal goats are famous for its high prolificacy ability to breed all the year round, good quality skin, delicious meat and disease resistance capacity in adverse situation.

Buffaloes: Buffaloes in Bangladesh are a substantial contributor of draft power for

unsatisfactory. Another report showed that performance of temperate genotypes in tropical environment is usually 30-40 per cent lower than in countries of their origin. However, substantial improvements in disease control, feeding management and reduced climatic stress helped to achieve some success in use of exotic stocks. Breed replacement through importing European breeds is suitable only under the most favourable conditions (e.g. good feeding, and management and effective disease control). This must be very costly system. Transferring of germplasm

(semen or embryos) across the countries rather than importing breeding animal will be less expensive.

Cross breeding

In the world, now many breeds have been developed through cross breeding using indigenous and European breeds where there are relatively high inputs of infrastructure and managements. Examples are the Australian Friesian Sahiwal, Kenyan Sahiwal, Jamaica Hoe, Siboney and other emerging Indian and South American Bos indicus x Bos taurus cross-breeds.

Open Nucleus Breeding System

Open Nucleus Breeding System (ONBS) is a new option in the field of animal breeding

for enhancing genetic gain in the livestock population. This system requires minimum cost, expertise and infrastructure for its operation. Detailed recording procedures would be required only in the nucleus herd. In this system, a nucleus breeding herd (NBH) request to be established by selecting superior native cows and bulls from different parts of the country. The best males to be kept for breeding in the NBH while the remaining selected males will be for breeding in cooperating herds or village herds. The village herd can provide selected cows to replace as many as 50 per cent of the cows in the NBH annually. Selection from the village herds can be by simple procedures, mostly on the assessed milking ability and fertility, with some attention to size, conformation and condition. Selection of these animal could be done by animal breeders in cooperation with the local farmers, to select the best animal from as wide a population as possible. The main advantage of this system is that the genetic superiority of sire replacement coming into the village herd from the NBH is greater than can be achieved in each of the village herds on its own. More clearly in long-term breeding programme, the selected animals could be used as a base to establish multiplier farms and foundation stocks for grading up schemes. The specialized dairy type animals i.e. Pabna, Tekerhat, Munshiganj, Red Chittagong and gayal cattle can be conserved and improved upto a breed using ONBS. Moreover, ONBS could be used for the improvement of goat, sheep or buffalo etc.

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Lalmati Viswokarma Looking towards prosperity