

## Demolishing Walls around Women

A national council for women's development with the Prime Minister as its head is soon to be formed as an apex body to supervise, monitor and guide activities of different agencies dealing with women's development. This was thought to be so important a piece of news that State Minister, for Women's Affairs Sarwari Rahman went to the 38th United Nations session of the Commission on the Status of Women to break it instead of first telling the nation about it. The government is most welcome to attaching such value to some of their programmes. One, however, hopes with trepidation that the working of the apex body would be broadbased in participatory terms and prove equal to the task of giving women, caught in the whirlpool of prejudices heightened by the fanatics and all sorts of gender-wise discrimination, a decent, better deal.

What is the idea behind the Prime Minister herself heading such a council? Presumably it is to give the body a greater clout than would be the case otherwise. Presidents and Prime Ministers head councils and institutions but because of their plentiful preoccupations the time at their disposal get thinly distributed over competing purposes. The idea of adding importance to the council is understandable but obviously the set-up would need delegation of authority and an open-minded approach to the thinking of various professional groups to make any headway.

The very-soon-to-be materialised apex body will supervise, monitor and guide activities of different agencies working for a better deal to women. That would mean coming into the rather troubled women's activism scene as a guardian body which will not go through the experience of the many activist groups and still, with the state backing it up, dictate things and control activity. Hopefully such a powerful body would be attuned to pluralism in a democratic society, so that it does not have the making of imposing another ineffectual sprawling thing on an important area of national challenge crying to be meaningfully addressed.

It is within the power of the government to brush aside such reservations arising out of misgivings born of a long record of ineffective government performance specially in the women's sector. It is remarkable how unabashedly the governments went on with their professed good intentions about upgrading the condition of women while women continued to be raped and murdered by sex criminals and lynched by religious fanatics on every one of God's days. The government is yet to match the good work done by the garments industry or by the roads and building sector contractors or by the scores of the NGOs in the great demolition of the walls around women. But why?

The government still then is the most powerful instrument of our whole people with which to cut at the root of the deeply entrenched socio-economic devices perpetuating women's serfdom. The National Council for Women's Development — we are hopefully capitalising the name — can earn relevance and even some amount of respect if it will rise to the challenge by addressing it with a degree of uncompromising radicalism a micrometre short of which will help neither women, nor people as a whole nor the government itself.

## A Costly Blunder

Developing countries are prone to taking ambitious projects more from political considerations than from a development point of view. This happens specially when the countries are ruled by authoritarianism. The motive is understandable. When such autocratic rulers have been removed, the countries normally ought to return to sanity. However, sometimes the legacy of the bureaucracy proves so strong that the earlier practices may not all be so easily abandoned. In their excessive eagerness for reaping instant benefits, some people would not mind sacrificing the future of the country.

This reportedly has happened in case of the multi-million-dollar fish stocking project. The plan was to develop fisheries for boosting the production of carp variety of fish in the greater Mymensingh and Sylhet districts. Wide waterbodies such as haors and beels were specially chosen for the purpose. But to make the proposed pisciculture a success the authority concerned used Rotanena, a type of poison, which was supposed to eliminate the predatory species from the project areas. This was done evidently without having any regard to the consequences. The poison has taken a heavy toll of the indigenous fish, although the full extent of the damage is yet to be ascertained.

That the project was taken up four years ago without preliminary surveys on the fish stocks, then in the beels (marshes) and haors (wide waterbodies), speaks of the preposterous decision. The question of socio-economic conditions of the people in and around the project areas also deserved close attention. Evidently, the ecological factors have totally escaped the notice of the initiators of the project. This betrays the defects in the plan and immaturity of the planners.

Already the poor fishermen in the area are hard hit. A large-scale poisoning of waterbodies will bring about an unprecedented disaster not only in the shape of the fishermen's economic woes but also in terms of the bio-diversity in the area. The Asian Wetland Bureau has warned against the use of poison not for nothing. The bureau holds the view that the practice will destroy biomass along with the local varieties of fish. Such tinkering with nature may have the most adverse consequences other than the foreseen ones. According to the report carried in this daily on Sunday last, the monitoring of the project still leaves much to be desired. This shows both indifference and ignorance on the part of the authorities concerned. A full-scale study should be carried out before embarking on any such ambitious project.

Now that considerable damage has been caused, measures have to be taken to stem the rot. No economic enterprise can be acceptable at the cost of large-scale environmental degradation. Perhaps a last-ditch effort is called for saving the environmental damage in the area.

IN 1972, practically all the large-scale industries were nationalised. Since they were abandoned, one very good reason for nationalisation had been the conspicuous lack of private sector management capacity left behind in the country. There were very few entrepreneurs with the desired background of industrial management. It is good to be a successful trader of Moulvibazar of Dhaka or Khatunganj of Chittagong; but to be an industrial entrepreneur, a risk taker who invests capital as well as borrows heavily and through earnings from the manufacturing enterprise realise back his returns, call for a particular kind of expertise that was hardly in existence in the country. The point is that in an underdeveloped country, least developed at that, the private sector is also bound to be backward. Traders have short run expectations; profits from industrial investments is at least a medium-term if not a long-term result. As a consequence, when traders were enabled, almost overnight, to become industrial entrepreneurs, they behaved exactly as any rapacious trader would do by simply running away with huge bank loans after due investments were made in terms of bribe money — same as the cost to a trader incurred at sea customs department and import controller's office. Only the non-Pakistani foreign owned enterprises retained the management capacities and they were left alone to operate in spite of large scale nationalisation of all other types of industries, including the very few owned by Bengalis.

Private sector was underdeveloped and it has remained so after over two decades of independent Bangladesh. The example of garment industry is inadequate since those are large-scale tailoring shops — the level of management expertise and sophistication I am talking about is simply not available till date at the desired scale. The proof of the pudding is in the eating. Therefore when government is trying to privatise the textile mills as well as other industries, there are no takers from the private sector in spite of the incentives offered. The total number of Bengali industrialists can be

counted on the fingertips. New entrants are most welcome but from trader to industrial entrepreneur — the process has so far been able to generate too few business houses and the few that have emerged are already out to grab industries or invest in new ones. There are quite a few new industrial conglomerates (by Bangladesh standard) whose full page advertisements are much sought after by the numerous short-lived literary magazines. Yet they are too few. Privatization can not be effective without private sector development. The two issues are distinct yet they are intimately intertwined. The government particularly the Ministry of Finance seems to be deeply frustrated that in spite of so much attractions of tax holidays and liberal credit or separate export processing zones etc, not many investors are coming forward. Basically the question is — where is the private sector, why they are not visible? They must come forward and invest — what happened to them? No, nothing has happened and therefore the much sought after private sector does not exist — it has to be nurtured through deliberate efforts and one day it should be able to deliver the results. At that stage, Government does not have to go begging to sell the textile mills — there should be competition among private buyers.

### Not in the Agenda

The private sector development as such is not in the agenda of the government. The flawed assumption is that like a love affair perhaps it just happens. No Sir, it is not an extra-sensory perception of the heart. It must be a hard cold reality translated into manufacturing of numerous goods and services employing millions of workers in a vastly expanded urban Bangladesh. The basic culture and environment for the purpose is lacking — it must be developed through deliberate efforts hitherto never thought of by any government of the country.

How private sector development can be brought about? In South-east Asia, it was the

# Private Sector Development

overseas Chinese business class who did wonders and they are now returning to China to assist in the reemergence of the world's largest market economy of the 21st century. No such non-Bengali community exist any longer in Bangladesh. Neither the Marwaris nor any other business community from within South Asia can be expected to play that role in the present day political context of Bangladesh. It must be an indigenous process of development, talking in Bangla and eating rice and fish. However, the foreign enterprise and capital are most welcome as foreign direct investment but they would come only after the local entrepreneurs are nurtured to a position to welcome them as foreign partners. Domestic investment and native investors must come first.

able transfer of enterprises to lease-holders, as appropriate, under long term repayment arrangements. The efficient and profitable running of the enterprises are far more important than privatisation at all cost. The aim of private management contract will be to fulfil the efficiency objective first; which alone would enable the enterprise to become attractively enough to be privately owned. At the same time, the initial management contract would enable the firm to secure vital access to manufacturing technology and know-how and subsequently, decide on its eventual acquisition.

Government should prepare inventories of existing owners of jute, textile and other industries and given their acquired experience and management abilities, the very few of them

major expansion, save and except garment industries have taken place in the country so far. This is primarily because the much sought after small and medium scale manufacturing entrepreneurs do not exist in the country. Apart from garments, labour intensive export manufacturing should branch out into new products such as leather goods, electronics, textile, plastic items etc., absorbing, all included, around 8 to 10 million workers. It is therefore conceivable that by the turn of the century, one-third of all Bangladeshi families would derive their incomes from export-oriented industries of the country. It would however call for roughly 50,000 entrepreneurs who, given the present day trend, would not come forward even by the year 2050, fifty years later than the projected year 2000.

At the same time, I wish to draw attention to the tremendous possibilities of expanding agro-processing based on paddy, animal feed manufacturing and processing of poultry and fish. With the expansion of cropping intensity, prospects of agricultural machinery and irrigation equipment manufacturing have expanded manifold. In fact, these are necessary if the agriculture sector should keep on expanding during the 1990s. Take for example paddy; it would require 500 large-scale integrated plants of the capacity of 200 tons per day to process 30 million tons of paddy in 300 days and this is the expected paddy output in the year 2000.

Thus it is clear that private entrepreneurs are too few to complete the task in hand. We have to think of alternatives in the form of institutional entrepreneurs. In this connection it may be noted that in China, the double digit growth of manufacturing and export are being promoted by private individuals only in a limited number of cases; the prime-movers are the rural township councils and other cooperative institutions collectively owned by the people. Rural industrialisation involving agro-processing as well as labour intensive

manufacturing for export are primarily the result of efforts of the old communes renamed as Township councils who now resemble business corporations but with a social commitment.

### TCCA

This is perhaps the forerunner of institutions of market socialism. Apart from that, if we go back to our own rural institution building then there will be a stunning realisation of the fact that back in the 1960s, Dr Akhter Hamid Khan's Comilla model of Thana Central Cooperative Association (TCCA) exactly ventured into the same arena of rural industries and by 1970, the first TCCA of the country was running a rice mill, a dairy, foundry and workshop, brick fields etc. Such TCCAs now cover practically all the thanas of the country. Through training and induction of qualified manpower, credit facilities etc it should be possible for TCCAs to emerge as institutional entrepreneurs engaged not only in agro-processing but also branching off into the territories of export manufacturing. After all, in a competitive market economy, there should be free entry of firms and there is no reason why they should fail in the competition since know-how and capital can be easily secured for them.

Another excellent area for such institutional development, is offered by the concentrated location of weavers and Grameen Bank have already got involved with the task through export marketing of their fabrics. But it is only the beginning. Large textile industries should emerge under the aegis of new weavers cooperatives since private textile mill owners have failed to compete against smuggled textiles from India. Similarly, cottages and other cottage industries can be modernised to enter the export markets through institutions rather than private entrepreneurs.

At the same time, we must not lose sight of private entrepreneurs. They must be encouraged at all cost. But given the lack of private sector development, we must not wait and ponder; institutional investor is an alternative — let us cash in on it.

## WINDOW ON ASIA

Shahed Latif

Since they have not come up as yet in any vibrant and large-scale manner, there is the continuing absence of foreign direct investment in the country; unlike other countries of East as well as South-east Asia.

### Basic Conditions

Thus the two basic conditions must be appreciated first: (1) Private sector cannot be created or developed through an act of God or any other supernatural event; and, (2) there is no identifiable community who can assume the major role in private sector development. Given the above conditions, I wish to advance following suggestions for the kind consideration of the Government, all political parties and every interest citizen of the country:

Since there are very few takers of public sector industries and other enterprises, let them be leased out to private sector management with provision of profit sharing and after a stipulated period, en-

should be encouraged to take over the operation of similar types of public sector industries. Likewise, existing tea garden owners including foreign multinationals may be encouraged to take over the management of public sector tea gardens. The ships of Bangladesh Shipping Corporation can be given over on lease to the few existing shipowners of the country thereby enabling the rapid expansion of private sector shipping firms. The gas transmission and distribution companies, oil refinery at Chittagong, fertiliser factories may in particular be made attractive to foreign management companies in partnership with Bangladeshi entrepreneurs. This would ensure future investment in those industries of private capital — both domestic and foreign.

### Small Industries

Development of small and medium scale industries must follow a different model. In spite of all inducements, no

HERE is a widespread misconception today in Bangladesh that the current emphasis on free market and privatization is basically geared towards elite businessmen and rich capitalists and mostly of foreign origin. While the retreat of the government from economic activities and their regulation, along with an integration into the global economy, indeed open up opportunities for these groups, this is only part of the story. There is much more to it, and I have been proposing for some time now that a basic redefinition of the so-called private sector in Bangladesh will help in understanding the true nature of the current movement towards minimizing the role of government and maximising the role of the private sector through a system, based on the interplay of unfettered market forces. Under this redefinition, the private sector is not restricted to a traditional role, rather it comprises all non-government entities, including small entrepreneurs, professionals, farmers, all self-employed people, indeed all consumers including, government servants in their private capacity. There is government on the one hand and the private sector (as redefined) on the other. Just as we cherish the attainment of political rights and democracy, we are also attracted to the idea of economic rights and equality of opportunity, and our current movement towards less government tyranny in economic activities must eventually reach that intended goal.

In fact, I must confess that what immediately attracted me to MOER was its unique emphasis on participation by all sections of society, not just elite businessmen and representatives of the international community, which is by far the

more standard composition in discussion meetings on the market economy. MOER's populist approach rightly refocuses the agenda on consumer sovereignty and economic rights and freedom of individuals in an economy regulated more by free markets than by the government. Economic growth and development will come more readily from the unleashing of the productive energies of millions of people rather than from a handful of elite businessmen.

To us at MOER, a market economy means the following: **Getting rid of public sector or pseudo-socialism by which close to Tk 2000 crore is lost every year for the undeserved benefit of some government or Corporation employees in the name of the people:** It is quite likely that this amount, utilized efficiently, would yield far more than the entire operations generating these losses. If all these operations were surgically removed from the government, Tk 2000 crore of the people's money would be available for alternative uses. In privatized operations, I am arguing that the privatized operations will in a market economy serve their own economically useful purposes, whether in the same line of business or on a diversified basis or entirely by changing course.

**Reducing government's regulatory functions to a minimum:** This would allow the private sector or rather the people to go about their business without any hindrance and thus to help them realize their maximum potential. At the same time, the size and cost of government could be reduced. A new concept which is emerging these days is the

# Making Our Economy Right — MOER

by Feisal Siddiqi

cost-effectiveness of government i. e. how much is government costing per capita and what are the people getting for this cost! This only highlights the fact that in the near future, government will have to justify and be accountable for every paisa it spends.

In this context it is worth mentioning that a major intervention in the economy by the US government (perhaps the most established of market economy-oriented governments) is Anti-trust legislation, whereby the government maintains a constant vigil over the openness and free functioning of markets so that fair competition is ensured in the private sector. Classical economic theory clearly identifies monopoly and other forms of market power as being detrimental to the neutral functioning of markets in ensuring fair competition; it may come as a surprise to many that the US government has strictly and faithfully accepted this theory to block any accumulation of market power by any business organization. In fact, the US government has traditionally been so vigilant against big business that it is often thought of being anti-business compared to its counterparts in other advanced countries.

**The primacy of merit, entrepreneurship and good ideas:** Anybody with a good idea, initiative, organizational capability, or other merits should have sufficient market access to be able to realize benefits from the same, regardless of his connections and/or ability to bribe. A sophisticated and advanced market economy is free in a cost sense as well — it is easy, quick and inexpensive to set up a business. Finance is

readily available for anybody with an idea which can generate profits. Equally, the market value of an individual quickly and accurately adjusts to what he or she is actually worth in a market economy. Of course, there is admittedly a negative side to this, which is that a person's market value may be very low. This is usually taken care of through direct welfare measures.

**Consumer sovereignty:** Consumers should have available to them the widest variety of goods and tradeable services from across the world at the best possible prices. Anyone travelling to the USA can see this for himself or herself. The other side to this, critics will quickly point out, will be a collapse of domestic businesses. This counter argument is false in the long run, as any completely free trading economy will testify. In fact free trade is one issue almost all economists agree on. So why is the US busily protecting its garment and automobile industries while Europe props up its farmers? The answer has mainly to do with the existence of strong pressure groups; NAFTA, incorporating Mexico, confirms the strong US official commitment to and belief in free trading. Why should the poor Bangladeshi consumers be deprived because the pressure groups of rich businesses are demanding to be protected against more efficient business from abroad?

**Expansion and growth of economic activities in Bangladesh which enjoy international comparative advantage and are therefore sustainable in the long run:** With a quick transition to a free trading

regime, some economic activities built up under protection will collapse while others will expand further, especially as the existing overvaluation of the currency and other anti-export biases are removed. It will probably surprise many to know that there has existed an effective bias against exports since Bangladesh came into being. The need to move to a neutral policy regime is obvious. It is better to concentrate on activities in Bangladesh which are globally competitive, as these would automatically expand at a rapid pace into the huge global market. Other activities can never enjoy sustained growth whatever the government might do to beef them up.

**Complete openness to foreign private investment:** This would certainly be facilitated by a complete convertibility of our currency and a bare minimum of government involvement. While the inflows of capital, technology, management and entrepreneurship are the obvious benefits, the unspoken drawback is that Bangladeshis may be initially reduced to being just employees while the foreign capitalists become the owners. This is what I would call nationalism for the elite. Yes, local capitalists are likely to have a tough time competing, but certainly the people who would be receiving returns on their labour only (I use labour in a broad sense) will be benefited. In an increasingly global economy, one cannot keep on protecting the elitist interests of the rich at the cost of continuing poverty of the rest in society under the guise of nationalism.

The above six points are the

markets, not necessarily comprehensive of a genuine market economy. While the present government (apparently with the support of the main opposition party) is in principle moving towards such an economy, progress has been painfully slow, especially because of poor implementation.

In an intensely competitive global scenario, we are falling way behind, but the country cannot afford this luxury. Each and every citizen has got economic rights — the right to cost — efficient government and equal access to economic opportunities, whether local or global. We can no longer afford to wait for the establishment of these rights as the economic reforms slowly take hold. They must instead be demanded now, through appropriate forums like MOER, and the government must be forced to pay attention to these demands.

Assuming that our elected representatives are indeed serious about the economic rights of their constituents, they must establish effective channels of communication whereby the people's problems and grievances can be aired and action taken. The example of the Telephone minister is precisely what we would like to cite: If the system is not responding to the user's needs, he or she can even directly call up the minister. This is the attitude needed, and the sooner other ministries, departments, and government agencies follow this example, the better empowered will be the average citizen. Market economy and strict accountability of the government go hand in hand within the overall context of representative government, and our elected representatives must be pressured to carry out the responsibility of ensuring our basic economic rights.

## 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.

### Impending cabinet reshuffle and Mayor Hanif

Sir, It is good to hear from Mayor Mohammad Hanif in his exclusive interview with the Daily Star (March 7, 1994) that he shall no longer pursue his hobby of angling. He tells us in his usual unassuming manner and with all humility unto Allah that he is preparing himself to face the challenge of the position which he earned by his merit. In this, he expects full cooperation from all irrespective of their party leanings and affiliations. Yes, this is the version of a gentleman and an inevitable

expression of wisdom. Earlier, his grand gesture of goodwill to his defeated political adversary Mirza Abbas and vice versa was indeed a splendid instance of human feelings. People felt an enervating sensation through their veins because such things are very scarce in our country. How long such gesture of goodwill shall survive nobody knows. Pray that it lasts longer than someone can foresee.

The air of doubt though very thin at the moment, does, however, continue to spin around a recent news item that BNP would soon appoint a full-time secretary general and till now Barrister Abdus Salam

Talukdar was the probable choice. Side by side, the news added that Mirza Abbas would be rewarded for his defeat with a full minister's job. This part of the news item is intriguing because the advisors of the Prime Minister are likely to counsel her to put Mirza Abbas in LGRD slot. I hope that it does not happen that way and Begum Zia's wisdom does not fail her.

Kazi Alauddin Ahmed Shantinagar, Dhaka

### Security at stake

Sir, I am an ordinary citizen who is disgusted by the prevailing law and order situation in our society. The Jagannath College incident finally forces me to say something against such violent acts. I am enraged due to the "mastan" culture patronised by our political leaders. I am sick and tired of observing one act of terrorism after another. I was six

years old at the time of liberation war. Therefore we are basically the first generation of Bangladesh. We want a better Bangladesh than this.

Many articles have been published, seminars held, leaders of the country made speeches about how to curb violence. However, unfortunately for us, terrorism is still on the rise. The reason for the failure to eliminate terrorist acts is basically lack of proper motivation and intention on the part of concerned authorities.

As a child, many years ago, I heard a story. The story was about the scientist who once created a monster. Later this scientist was killed by the monster of his creation. I find some similarity between the story and the our "mastan" situation. Armed cadres of political parties were created by the leaders. Look now, the leaders have difficulty in controlling their own creation — the "mastans".

We, the common people have demanded all through to the government and the opposition only for a peaceful and secured society but it always went unheard. The incident of Jagannath University on 6-3-94 is a picture of gross failure of our leaders and the home ministry to carry out their responsibilities. The government press note after the incident, which left a police officer dead, requests people to come forward to curb terrorism.

Well, when the police take the role of spectator in most situations, what else can the government do other than leaving people to take the law into their own hands!

We, the people did not create the 'mastans'. The responsibility of controlling them therefore should not be with us. Our political leaders should control their creation the "glorified mastans". I will hold the Prime Minister responsible for the violence in

Jagannath University since it was due to a conflict within JCD. She will have to take steps to stop this type of incidents — not us. Similarly, I will hold the leader of the opposition responsible for any terrorism created by BCL.

We, the people will definitely demand answer from them if they fail to provide us security of our lives. If they cannot control their partymen, then they should step down from leading the party. They must answer to us for such disgusting acts of terrorism by their party 'mastan'; they can not avoid the responsibility because this is a democratic society, and we the people matter.

Don't you think it's high time, unitedly we hold our leaders responsible creating 'mastan' and letting them loose?

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