

Measuring Consumer Confidence

Eid shopping in the cities this time was generally reckoned to have been relatively brisk as compared to the last couple of years or so. More likely, this spurt in consumer spending is just a temporary phenomenon. Yet, there is a faint possibility also that the buying spree signals a revival of consumer confidence.

Apart from food items, consumer spending on the occasion of the Eid festival tends to concentrate on accoutrements — clothing, caps, bangles, trinkets, shoes and the like. Most such items sold this year seem to have been manufactured locally. New styles and designs also emerged this time. The rich bought gold jewellery as well. Then there are people who postponed purchases of consumer durable till the Eid — to make the acquisition an event.

For most salaried people, festival bonus provides a predictable source of fund to finance Eid buying. The affluent, of course, have ready access to funds of their own. Many of them often spend more on charity on this occasion, providing the poor also bit of wherewithal to celebrate perhaps. Some people are inclined to think that the money spent during the campaign for the municipal corporations elections came as an added bonus this time.

For the traders and shopkeepers, the buying surge during the Eid festivities brings an occasion to make some money. Shoppers generally thought that the prices were higher this time. It's all part of the game. However, traders too are consumers.

In the West, Christmas shopping pace is often seen as an indicator of consumer confidence and a pointer to business activity in the following months. The more brisk Christmas shopping is, the faster would be depletion of traders' stocks. Replenishment of the merchandise would call for increased manufacturing activity — creating sort of a trickle-down upturn in the economy.

Does the higher level of consumer spending on the occasion of this Eid hold some such implications for our economy? It could be that consumer confidence is on uptick. May be some people have more money at their disposal than before. Inflation has remained subdued and the consumers may find themselves less impelled to hold on to some of their funds as a hedge against continuous price rise — a situation in which they would have otherwise needed more money to finance essential purchases in the days ahead. In short, expectations of a stable price level might as well induce consumers to spend more of their money on the occasion of a festival. Of course, consumers might also spend more in an inflationary situation — to lock up in goods, money which is losing its value.

In fact, a whole raft of variables would need to be factored in for measuring consumer confidence. Ideas gleaned from observation alone would not suffice to reach a conclusion. We do not have the set of indicators that go into measuring consumer confidence. Even so, an upsurge in consumer spending does raise a glimmer of hope in the revival of an otherwise stagnant economy. Let us hope that the momentum will keep itself up in the coming months.

Accidents Galore

The stupendous public mobility across the country during the festival time bore some portents of accidents no doubt. But that these would occur on a scale surpassing any previous record was beyond anybody's worst apprehensions. Merry-making take a toll during Christmas and on the New Year day in some European cities when the celebrative mood goes berserk. But evidently this is not what happened during our Eid holidays when people put their lives in the hands of train and vehicle drivers hoping to reach home safe and in good time for a festive get-together.

It was partly the man behind the machine or the machine itself partly that combined to wreck havoc on human lies from March 12-16. And what even came as an eye-opener to a new dimension was the derailment of bogies of a train put down to curving of the track. A slipper over a culvert had broken — some not ruling out the possibility of a sabotage there — to get the railway line off the hook. This is the Paharika Express meeting with the fatal accident on Eid eve killing 6 and wounding a hundred persons.

As if this was not enough of a train mishap, a Chittagong-bound passenger train rammed a sardine-packed minibus at a level crossing near Mainamati railway station taking a toll of 14 killed and several sustaining injuries. This happened when the minibus ignored the closed gate at the crossing and tried to sneak through an opening on the wrong side.

So, the two rail accidents essentially underline human callousness in rushing things under that bit of an overblown pressure, attributed to Eid-related movement, which possess the minds of operators of transports. As for the first accident in Chittagong, why wasn't the buckled railway track noticed beforehand? So far as the second mishap in Comilla goes, the pertinent question is: Why is it that a 'closed' gate at a railway crossing is not fully closed?

If twenty persons had lost lives to railway accidents that would have been enough of a sad news for us. But there has been more and this absolutely sour note was added to the celebrations by a series of road mishaps claiming as many as 12 lives and injuring 81. Road accidents have been so variegated until today that there is hardly anything inconceivable or incredible about these any more. At any rate, this time around the wheel of a car coming off it collided with a bus rushing in from the opposite direction. In another incident there was a head-on collision between a truck and a bus. On the Dhaka-Aricha road a driver pressed the brake hard ahead of a speed breaker with his minibus plunging into a ditch. Also a bus fell from bridge, obviously as the driver lost control; an old man was run over in another accident; and a motor-bike driver lost his life on hitting a traffic island.

All these accidents in such a quick succession make it imperative for the railway authorities and the operators of other modes of transport to take extra safety precautions having regard to the numbers of passengers involved these days during the festival times.

ALTHOUGH it appears to be waning, the agricultural sector still acts as the linchpin of growth and employment in many of the countries in Asia and the Pacific. In the relatively poor South Asia (SA), the sector accounts, on average, for about 38% of GDP and 56% of employment of the total labour force. This compares with 22% and 42%, respectively, of middle-income countries of South East Asia (SEA). The contribution of this sector to GDP and employment is, however, far less in the newly industrialized countries (NICs). The inherent importance of the agricultural sector is furthered by the presence of other two significant factors: (a) about two-thirds of the total population in SA and about half in SEA are involved in agricultural activities; and (b) about 12% of the total import bill in South Asia is financed by the receipts from agricultural exports. The figure for SEA is 17%. It may be noted here that in the cases of Australia and New Zealand, about 40% of the total import bill is financed by agricultural exports. It thus appears that agricultural sector still tends to steal the limelight in terms of contribution to GDP, employment-generation and foreign exchange earnings.

Production and Trade

In the production of a number of commodities, Asia ap-

Agricultural Trade among Asian Countries

by Abdul Bayes

pears to lead the world. For example, China, India, Thailand and Bangladesh are principal rice-growing areas. About one-third of world's wheat and about one-fifth of coarse grains are also being produced in Asia with China and India on the cockpit. As percentage of world production, some of the prominent commodities are: palm oil (75%), rubber (over 90%), tea (67%), jute (95%) and tobacco (67%). While SEA (Malaysia and Indonesia) tends to dominate in the production of the first two crops, India, Sri Lanka and Bangladesh of SA appear to dominate in the next two crops. Besides, one-fifth of world's sugar and about one-third of world timber are produced in Asia.

It could be gleaned from the FAO Trade Year Book (1991) that Asia's share in world agricultural exports and imports stood at 17% and 26% respectively.

Further, Asia is reportedly catering to 13% of world's food requirement buying 29%. While SA and SEA remained net exporters of agricultural goods (excluding fishery and forestry), China and SEA remained net exporters throughout with or without forestry and fishery. However, the NICs and Japan

remained net importers. In terms of the share in trade, the prominent commodities are: tea (about two-thirds), palm oil (over 90%), rice (over 60%), rubber and jute (over 90%).

Marked disparities in the export and import structures are in evidence among Asian countries and these, probably, have created significant complementarities for regional trade. There appears to be substantial trade in the region in primary commodities based on sub-regional and intra-regional complementarities. Thus, SA exports cotton, jute, rice, tea, coffee, fresh fish and fresh vegetables to SEA in exchange for palm oil, sugar, rubber, wood, spices, fruits and nuts. The traditional complementarities have further been heightened by the differential levels of economic development.

It could be observed that, on average, Asian countries export one-third of their produce to Asia itself. Of the total flow, about two-thirds comprise primary commodities. China, however, directs two-thirds of exports to Asia while the SEA, 57%. The NICs export roughly one-third of total exports to Asia

followed by 28% of Japan. However, a major chunk of that comprises primary commodities. The SA countries appear to direct one-fifth of exports to Asia out of which primary commodities constitute 28%. It appears that exports of SA (and specially agricultural exports) find outlets outside Asia. An interesting observation is that intra-SA trade is far less than intra-SEA or intra-NICs trade flows thus reflecting more complementarities of SA outside rather than within.

Agricultural Interventions

As in other countries of the world, agricultural production and trade in Asia are also subject to barriers through the uses of over-valuation of currencies, monopoly purchase by state boards, export taxes etc. However, the level of protection has been much less to agriculture, than in manufactures (especially in SA) to divert resources to manufactures. For example, the average level of tariffs for manufactures at 80% in SA is almost double that for primary commodities at 48%. Interestingly enough, the reverse holds good for the NICs and Japan i.e., agriculture is

more protected in these countries. However, over the years, while the average rate of tariff has been slashed for manufactures, agricultural trade still groans under heavier protection and this is believed to reduce the already thin volume of trade among Asian countries.

How far the existing trade barriers affect the flow of trade among Asian nations could be guessed from various studies. An ESCAP survey (1992) observed that for rapid flow of agricultural goods (including fishery and forestry) and raw materials across Asia, import barriers act as the greatest impediment. If the tariff structure is juxtaposed against the net export availability of the economies, one can observe that important scope exists for reciprocal negotiations to expand trade through liberalization between low and middle income countries. As one economist argued, "... if these countries were to reduce their tariffs and other import restrictions on a non-discriminatory basis, the total gains from trade liberalization would be magnified and enjoyed widely among the Asian countries."

Turning the Tide

There is no denying the fact that the objective of self-suffi-

ciency in foodgrains led to a relatively restricted production and trade regime in these countries. Different authors tend to argue that since the turning-point has been reached in Asian agriculture, the past focus on boosting cereals needs modifications warranting policy reversals. Reviews of trade, financial and industrialization policy impacts on the agricultural sector are urgently needed, ipso facto. The importance of giving fresh thoughts to regional and sub-regional co-operation can hardly be brushed aside with the newer developments in world trade arena. The premises upon which such co-operation could hinge are: (i) exploiting economies of scale by overcoming structural market distortions; (ii) facilitating the possibility of product and processes specialization within the region and promote trade in intermediate products utilizing reciprocal complementarities; and (iv) developing a common bargaining strength with outside members etc. Regional co-operation would also help in (a) containing the market access barriers upheld by protectionism; (b) reducing the uncertainties caused by a lack of uniform and non-discriminatory tariff levels; and (c) removing the bottlenecks to gathering market information.

The writer is a Professor, Deptt of Economics, Jahangirnagar University.

A Plea for Restoration of Sovereignty of the People in Bangladesh — II

by Oli Ahad

IT may be argued that in the absence of constitutional requirement for consultation, convention for consultation with the learned Chief Justice ought to have been followed. There is some merit in this argument. But, this raises the prior question: did Bangladesh have uninterrupted tradition/convention for such consultation. It did not. Convention needs time, possibly several generations and facilitating healthy environment to develop deep roots. In case of Bangladesh, the rule of law itself was interrupted/denied, martial law, which is the other name for jungle law imposed and the jurisdiction of the judiciary either restricted or suspended several times. Neither the voice of those who sit in the Bench nor those who appear before it, was collectively and effectively raised when such interruption took place. (The lead came from the student community. They gave their lives to safeguard the sovereignty of the people). Instead quite a few of them became collaborators of Martial Law Governments which ruled on the strength of bullets, bayonets orders and ordinances.

It will be relevant to note here that law, whether constitutional or ordinary, is necessarily a reflection of a Nation's history, customs, usage, and tradition. A Nation which tolerates and suffers suspension of the 'rule of law' can hardly be expected to develop healthy convention of consultation between the Executive and the Judiciary in the greater interest of the sovereignty of the people in so short a period of its existence. It could be argued that such convention existed in pre — and post 1947 periods. There is no evidence either for or against this argument. Even if this is correct, its validity is questionable in the instant case. For, back in 1971 the Government — in — exile of Bangladesh declared that Bangladesh is not a successor state.

Independence in the Exercise of Judicial Functions

Once appointed by the President, even against the wishes of the Chief Justice, the judicial officers, including those of the Superior Judiciary are required by Article 116 A to be "independent in the exercise of their judicial functions." To do so, they, besides, being learned and experienced in law, have to be persons of integrity and character so that they will dispense justice according to law without any fear or favour. No constitution in the world can ensure this vital requirement. Only the incumbents can do, provided the objective conditions are at least neutral if not favourable. Hence, the fact that the Executive appoints them is no bar to the exercise of their judicial mind independently.

Relevant in this respect is the observation of one of the learned judges of the Appellate Division of the Supreme Court. He said, inter alia, "... We must take care of corruption in

the district level and unless the corruption is stopped at the very root, it will engulf the whole judicial system. ... Also relevant in this connection is the observation of the learned Chief Justice. He said, "a person capable and fit for elevation as a Judge usually refuses the offer but there are some members of the Bar who resort to manipulation to becoming a Judge. This is a serious crime, he termed." These observations were made in the "Continuing Legal Education Programme" of the Bangladesh Bar Council on 18 December 1993 and reported in the Bangladesh Observer on the following day, i.e. 19 December 1993.

The learned Chief Justice and his companion Judge deserve grateful appreciation of the Nation for pointedly drawing its attention to the unethical trends in the Judiciary and ringing the alarm bell to alert the Nation. Let us hope and pray that such trend is statistically insignificant so far. Having expressed this earnest hope, we need to be pragmatic in our expectations from the various functionaries of the Government. They were born and brought up in Bangladesh and are ordinary mortals, irrespective of their profession, rank and terms of reference of office.

They can not be realistically

expected to be immune from the impact of prevailing societal norms. It will be a romantic expectation that all of them, in their conduct and character, world keep above its dominant decadent values, about which there is near universal concern and regret. (It is this alarming decay in values, which provide the rationale of the Anti-terrorist Act No. 44 of 1992, despite the Bangladesh Penal Code). For, it is only a rare few, who may, like lotus flower have roots in dirty water and yet be far above it and blossom in purity and beauty. Most can not transcend, rise above and develop immunity from being influenced by existing national environment. Hence, it will be less than fair and unrealistic to assume that the Judiciary alone, even if it is made totally independent, can be custodian of the sovereignty of the people. It could not in 1975, 1979, and 1982 respectively. Its acquiescence in specially the Act No 2 of 1975 (4th Amendment of the Constitution, 1972) is not without relevance in this context.

Proposed Constitutional Amendments

The present "crisis" has been defused to the delight and relief of the Nation. If it has demonstrated anything of

substance, it is the need for appropriate Amendment of Article 95 (1) and total separation of Judiciary from the Executive, which was on the agenda of all Governments since the passage of the (then) East Pakistan Act xdl of 1957. It still continues to be even after twenty six years, which is indicative of the lack of commitment to it by those, who mattered in the past and matter now in the Executive and legislative organs of the state.

The possible amendments would be (i) Amendment of Article 95 (1) to require not only consultation but prior concurrence of the Chief Justice in making appointments to the Higher Judiciary. In fact, just as in case of proclamation of Emergency (Article 144) the prior counter signature of the Prime Minister is required before the President's signature, so also in case of appointments to the Higher Judiciary, before these appointments are notified by Gazette, prior counter — signature of the Chief Justice should be made mandatory. (ii) Similarly, the control and discipline of the subordinate courts (including power of posting, promotion and grant of leave) should rest with the Chief Justice. This will require amendment of Article 166. (iii) Any attempt to subvert the sovereignty of people by imposing one-party Government (of, say, the sole National Party

of 1975 type) shall be a crime against the people and shall be punishable with life term rigorous imprisonment, with fine. Any person or persons, convicted of such offence, shall be barred for life from holding any elected office.

Conclusion

The "crisis" provides a golden opportunity to all concerned to develop consensus in favour of the proposed amendments and such other amendments as may be required to ensure total separation of the Judiciary from the executive organs of the state in the interest of institutionalizing sovereignty of the people.

If, however, narrow partisan, personal or professional interest and/or ego are allowed to take precedence over greater national interest, there is a real risk that Bangladesh may again slide back to the dark days of loss of people's sovereignty.

The sole purpose of this paper was to make a humble plea as a concerned citizen of Bangladesh for restoration of sovereignty of our people. If in the process of doing so, any wording, sentence or part of the paper has offended the sensitivity, dignity and/or prestige of any one, either individually collectively or professionally, such offence is most unintended and deeply regretted. Even then the writer offers his unqualified apology to any on, who may feel offended. He pleads the paper as a whole should be read in the spirit it has been written, which it is submitted is reflected in its title itself.

Peace Brings about Massive Job Losses

Chakravarthi Raghavan writes from Geneva

The end of the Cold War, says an International Labour Organisation report, has resulted in massive job losses in the arms and related industries.

been more difficult to predict, the ILO says.

The entrenched attitudes in political lobbying and management fostered over decades in the arms industry are proving to be the most formidable obstacle in conversion, the ILO says.

The economic upheaval and the complicated reform processes in Central and Eastern Europe, and the desire to protect the workforce, have slowed down conversion.

The US experience, the report adds, suggests that successful conversion requires advanced and far-sighted planning by management in collaboration with labour, local and state authorities and financial institutions; economic incentives to develop new products and retrofit equipment; and retraining both management and workforce to undertake other work.

Some \$400 million was spent on retraining in the US in 1993, and the ILO estimates that another \$20 billion would have to be earmarked for this

over the next five years. But these will not be enough to develop new jobs and skills of workers.

The ILO suggests that the conversion programmes, particularly in the former centrally planned economies, need greater involvement of workers in aiding the disappearing weapons maker.

The proverbial invisible hand of market is simply not good enough. Most of the successes so far have had a helping hand from governments.

The job losses of metal workers in the Western world, the ILO says, are getting heavier by the day and there is no relief in sight.

Over the past two years, some 90,000 have been laid off in the iron and steel industry, 200,000 in the automobile sector, 326,000 in aerospace, 170,000 in information technology and other electronics industries, and some 85,000 in other metals industries including ship-building.

The combined job losses in the metals and arms industries

over the last two years are estimated by the ILO report to be over 100,000.

The major causes of the job losses are low-level capacity utilisation due to slack demand, reduction in effective working time, labour-saving technology and work organisation, and the spectacular rise in part-time employment in the electronics industry.

'Globalisation of production is also another force. Companies', the ILO report says, 'now extend beyond national borders, trade blocks and sometimes sectors in search of optimal production locations, direct market access and value-added activities.'

According to the ILO report, over the past 10 years or so, employment grew only in seven of the 24 OECD (Organisation for Economic Cooperation and Development) countries. But it rose in 13 of the 15 developing countries for which the ILO has comparative data. The Philippines, Indonesia, Colombia, Chile, India, Turkey and China all posted net gains.

While there are no clear cut answers as to whether globalisation is a boon or a bane, the ILO report adds, there is some limited evidence that globalisation may lead to a net quantitative gain in world employment.

ment. This is because production in the developing countries tends to use more human labour than in advanced countries.

But if 'jobless growth' continues, the study says, globalisation is likely to erode further the number as well as quality of jobs in the metals trades in the highly industrialised countries.

For this negative impact to be offset, a sustained growth of at least 3.5 per cent is needed till the end of the century.

The study notes that currently in the world economy, the pendulum has shifted away from government intervention and protection towards 'global integration, free-for-all competition and unified economic spaces.'

A swing back of the pendulum, the ILO says, would depend on the extent of world economic growth and distribution, particularly in the industrialised world, as well as on the scale and distribution of the advantages and magnitude and harshness of the disadvantages in an increasingly globalised economy.

— Third World Network Features

CHAKRAVARTHI RAGHAVAN is Chief Editor of SUNS (South-North Development Monitor), a daily bulletin, and the Geneva representative of the Third World Network.

Helicopter service

Sir, In favour of reintroduction of helicopter service in the country, as suggested in 'An All-purpose Travelling Machine' in The Daily Star of February 7, I'd like to emphasize the following:

Helicopter can reach places difficult for many other transports.

District headquarters and areas of commercial value, particularly tourist spots, can be more easily interconnected by both passenger and cargo commuters.

Emergency medical flights if introduced, can cover the whole country.

Charter facilities for all possible purposes can be more popular.

Many destinations can be cost-efficient compared to other modes of transport.

Heliservice networking with other services may lessen unemployment pressure.

Helitransportation can lower prices of certain commodities.

Flexibility of manoeuvres

can expedite and economize the country's development process.

Helicopters of different capacities and for different purposes will meet almost all sorts of demands.

Adequate maintenance facilities at the heliports will save incidental expenses.

Heliservices may be run by both public and private managements.

Mustaqur Rahman
Mirpur, Dhaka

An appreciation

Sir, Since The Daily Star launched its journey, I have been very close to this paper and I find everything in this daily what I want. As an international-level daily, the paper has been doing its job properly.

On February 18 evening when a diarrhoea like situation created in our Hall after having may be poisonous food by the students from the hall, I thought it would be better to apprise The Daily Star. Because no other daily gave so

apt priority to the problems of the student community as The Star did. And I was the only person, who first informed the daily of the incident over telephone on that night.

But I could not think that the news will dominate the front page as a boxed item! The fact broke through my expectation. And that it also was treated in the editorial rather overwhelmed me.

I am not in praise that The Daily Star gave such priority to the news, and was first informed by me; but for the fact

that a large section of our student community read the paper and substantially depend upon its authentic, best news and views that it introduced and is maintaining a praiseworthy trend.

So, I again, on behalf of our hall and our whole students, felicitate The Daily Star.

Siddhartha Shankar Joarder
433, October Hall
Jagannath Hall, DU