

City's Water-logging

With the advent of the monsoon each year this city is thrown into disarray. This is not so much because nature is particularly in a more hostile mood here but because the various utility services invite the troubles by choice. There has been a mindless indifference to the need for co-operation between and among the various agencies and even timing of the programmes launched by them. It was particularly galling to see the nicely carpeted roads — done just keeping in mind the mayoral elections and also on the eve of the South Asian Federation Games — ravaged by the different agencies either for laying underground power cables or sewerage lines, or gas or water pipes.

Although a yearly phenomenon, the digging of freshly-dug roads this time has been more extensive than ever before. While this should be enough cause for concern, the problem has been further accentuated by another indiscreet act of far-reaching consequences. This is none other than the filling up of most of the city's canals meant for the disposal of excessive waters accumulated during heavy rains. Add to this the reclamation of the many ponds, that once acted as water repositories, for housing and this will explain why Dhaka — once free from water-logging — has now turned into a veritable large pot that holds water to overflow its roads and streets whenever it rains for some time.

So everything boils down to the twin problems of senseless sewing up of the water arteries of the city and also untimely works carried out by the different utility bodies. Sometimes, people even get the impression that such programmes are deliberately taken up to make otherwise avoidable demands on the public exchequer. The rule of the game however is that there should be a prior notice detailing the nature of works, its duration, the length of the roads to be used etc for repairing the damaged road in time. All this remains on paper and the roads are left unrepaired for months, giving the engineers and contractors further chance for spinning money in the process. As for the earth-filling of the canals and encroachment upon a few of them, both the government and private bodies or individuals are to blame. Neither has taken a long view of the situation and has merely gone for the easy kill for a short-term gain.

With the city now expanding all around, the problem is sure to mount. Over the years permanent constructions have been allowed in the most unlikely places, leading to the obstruction of water flows from the city. The storm sewerage constructed in the city centre to deal with the problem of water-logging has not yet been tested. There is every chance — at least early indications are so — that this year this disposal facility will be put to its maximum test. What is however appalling is that the last couple of days' rains have already showed that the water finds no way to escape and it remains stagnant for days on the roads. If the weather pundits are somewhere near to the truth, then worse time is awaiting the city dwellers.

More rains generally means floods and the city deprived of its natural disposal system will have to make do with the few arteries still left for draining away the unwanted water from heaven. But surely much of the problem and suffering of the people is avoidable. The city corporation, now under a new leadership, should take up the onerous duty of coordination between and among the various utility agencies. All the digging works need to be completed before the roads are carpeted. If any emergency calls for such underground works, it has to be ensured that the roads dug are repaired within a specific time. This will not only avoid causing unnecessary sufferings to the people but also save a pot of money. At the same time the arteries, once so effective for disposal of rain-water, have to be revived for making the city free of water-logging.

Collapse of a Wall

A wall of a recently constructed college, Fazlul Haq Mohila College in Gandaria, came crashing in the small hours of Wednesday amidst heavy rains. Two people in an adjacent shop, which was badly damaged, were injured. The casualty mercifully has remained limited apparently because at the time of the wall's collapse the street was desolate and there were no occupants nearby.

That there has been a few casualty is however a small consolation, for the hazards posed by the building to its users — students, teachers and other employees — look quite ominous. The people of the locality have already brought out a procession protesting the use of substandard materials for the construction of the building and other malpractices with the construction fund. It seems that the people are right on target. That the rains have caused the wall's collapse is a flimsy excuse. The real cause of this incident has to be sought in the building's architectural design, construction or the use of inferior materials.

Sure enough, the contractors are to blame most of the time for a building's or other constructions' frailty and vulnerability. But faulty designs and other architectural errors can be equally — if not more — blamable. However, going by the statement of the college Principal, a project committee and a consulting firm have been charged with the supervision of the work. The project committee even caught the contractor red-handed in using substandard construction materials. The consulting firm has refused to approve the completed works on the ground that there were some defects which needed to be repaired. Another allegation is that a few toll collectors of the locality demanded a huge amount from a teacher of the college and the contractor.

What transpires from all this is that something somewhere has really gone wrong. And this is not the only instance where specifications in constructions have been violated. Almost everywhere engineers, contractors and others involved in a project try to maximise their shares of the profit believably to the neglect of quality construction. Thus public money is misused and the durability compromised. This has been happening all through and there is hardly any system of questioning the malpractices and holding the wrongdoers accountable. Most of the bridges, culverts, schools and other buildings start falling much before their longevity period has been completed. We strongly feel that an effective system of accountability has to be developed for ensuring the proper construction of public buildings and other structures.

Trade Liberalization in Bangladesh: The Pros and the Cons

by Abdul Bayes

THE economics of restricted trade is well-discussed in economics text books. It helps the domestic industries (mostly the "infants") to grow by restricting the inflow of relatively cheaper imported goods. Applied to Import Substituting (IS) industries, the mechanism of protecting them is, among other things, to impose import duties on goods coming from abroad and thus offset the initial cost disadvantage of the local industries. Added to this is the overvalued exchange rate to help imports. Liberalization, on the other hand, implies that after a certain period of time, duties would be slashed to curb the protection rate and thus bring the local producers face to face with the foreign producers. It is not "free" trade as such since much of tariffs would still remain in operation.

There is no country in the world where protection to domestic industries is not tagged to a sense of nationalistic feeling where restrictions mean protecting "ourselves" and liberalization means "surrendering" to the outside world. The major dilemma, however, is that both Import Substituting and Export Oriented industries are domestic industries, both could be infants and helping one might, in some cases, hurt the other. The solution to this crux is, therefore, a blend of trade neutral tariff and exchange rate policies.

To the general public, the costs and benefits of protection are, in most cases, not well articulated. Protecting domestic industries by erecting high tariff walls is not a costless effort or say, a free lunch. According to the economics of tariffs, when a Government imposes certain amount of duties, the whole burden falls on the consumers. They tend to buy the commodity at a much higher price (in many cases, the difference was about 200-300% in Bangla-

The Bangladesh Perspectives

Like many other countries of the world, Bangladesh has

also followed a policy of restricted trade regime since independence. The rationale of such a regime could hardly be dispensed with since the domestic and the world imperatives seemed to dictate us to take that line. However, since the mid-80s, Bangladesh Government embarked on liberalizing the trade regime with a view to exposing the domestic industries to the outside world. Trade liberalization, so named, is a sub-set of the set of reforms currently being undertaken in Bangladesh. Within the purview of trade liberalization package, there are three components: (i) rationalization of tariffs; (ii) slashing down of the rate of import duties, both on outputs and inputs; (iii) liberalization of the exchange rate. Within (i) falls the reduction of quantitative restrictions e.g. quota and licences, reducing the slabs in the tariff structure and the squeezing the dispersion of tariffs. As for (ii), the notion is to reduce the import duties on inputs and outputs and within (iii) would come floating the exchange rate.

There seems to be little doubt on the goodness of (i) and (iii). Quantitative restrictions as a source of protection could hardly find any sympathy from economists. The main allegations are that these: (a) are not transparent as a protection device; (b) do not act as sources of monopoly as selected few are bestowed upon with the opportunity; (c) breed rent-seeking and corruption; (d) lower Government revenue as opposed to tariff (unless floated in the open market) etc. Over the years, there has been a certain decline on the number of commodities covered by quantitative restrictions but still quota and licences apply for a number of commodities.

Likewise, for any tax structure, the fewer the slabs and smaller the dispersions within slabs, the better the transparency is said to be. For example, out of many slabs, it is reduced to only 7 and the dispersion stands at 75%-100% as opposed to 0%-350% in the past. Again there were three lists on trade account: positive, negative and restricted but now only one list exists.

The fixed exchange rate has been turned to managed or dirty float and many of the constraints have been reduced on foreign exchange availability on trade and non-trade accounts. This has been reinforced by Taka convertibility on the current account. There is no denying the fact that the past "fixed rate" of exchange was very much friendly to importers and IS but unfriendly to export and agricultural sectors. A trade-neutral exchange regime should help optimal uses of this scarce resource.

The bone of contention, however, remains around the faster reductions on duties of output. It is being alleged that such a swing puts the domestic industries to the vagaries of competition for which level playing does not appear to exist in Bangladesh. It should be noted here that duties are being slashed not only for outputs but also for inputs, the former being harmful for domestic producers and the latter, beneficial. If at a certain point in time, the rates of duties on outputs and inputs imported are the same, then the domestic industries are said to enjoy zero protection i.e. if $CD=CDI$ (where $CD=Customs Duty$, $CDI=Input$). The Government is said to have not protected domestic industries in that event. If $CD>CDI$, then there is a case of positive protection and if $CD<CDI$, there is a case of negative protection

i.e. without protection, the unit is being taxed. Mere reduction in tariffs on commodities might not hurt domestic industries, if the rate of decline is faster for inputs than for outputs.

Probable Impacts of Trade Liberalization

The policy shift now, as said earlier, is towards liberalization from restrictions. For any policy shift in the economy, there are always groups for whom the sun would rise and also groups for whom it would set. Bear in mind, in the absence of trade liberalization, as said earlier, the sun rises for those associated with protected industries and sets for those mentioned earlier. It is not, for that matter, an all out zero-sum game. If the gainers could compensate for the losers, then, liberalization could turn out to be a positive sum game also. Trade liberalizers should, therefore, see that the concomitant closures of inefficient industries, unemployment of workers and all other costs associated with the liberalization can be outweighed by the gains accruing to the economy. And at this point of resource shift from non-tradables to tradables, the Government should take active part in the enhancement of supply elasticity via, formation of skilled labour force, provisions for cheaper non-traded inputs, help dissemination of technology etc. Without Government's active involvement in human resources development and physical infrastructural development, factors might militate against such shift to lower the expected social welfare.

Who would then be the gainers? (1) The obvious gainers would be the consumers with a revamping of the consumers surplus. Cheaper foreign goods would now cost less; (2) the class of industries depending on imported raw materials would be another beneficiary. For example, if diesel import is allowed, farmers would benefit or if cheaper yarns are allowed to come, weavers would be benefited. (3) The export-oriented industries would gain from cheaper raw materials and also from favourable exchange rates; (4) the dynamic IS industries would gain than before; (5) the government would also benefit from higher revenue since, ceteris paribus, more would be demanded and imported at a cheaper price and last but not least (5) the economy would benefit from less distortions and correct signals.

The Definite Losers

The most severely hit would be those industries which, after a prolonged period of protection failed to upgrade productivity. Second, those industries for which the import duty on outputs fell but that on raw materials either increased or stayed at the same level. This has been occurring to many of the industries as alleged as a result of trade liberalization. Third, the rent-seekers, permit hunters who benefited from quota and licences. Fourth, those who face marginal cost disadvantage but, given a stipulated time frame, could walk on foot (real infant industries). And lastly, those facing marginal gains in terms of lower input cost but, at the same time, are being axed by the imposition of the so-called tariff value that tends to deviate from the international prices by a margin of 50-150%, depending on the sources of origin.

By and large, all would be hurt if the landed price of the product is taken as reference price since the exports of foreigners might be subsidised. In that case the domestic price in the foreign country should be considered and in case of subsidisation, anti-dumping duties should be imposed to protect the domestic industries from "unfair" competition. A serious limitation of such trade-based incentive, however, is that only those relying heavily on imported inputs tend to gain the most while those using mostly the local resources would harvest the least amount of gain (e.g. RMG vs. food processing and other ag. food exports). In other words, availability of

trade incentives, in fact, discourage the use of local raw materials which have more backward linkages in the economy.

The Fate of the Export-led Growth

The whole notion of trade liberalization in Bangladesh is basically premised on the idea of an export-led growth imported from the experiences of the NICs. How far the trade liberalization measures are contributing to that end is a question to be answered. The average annual rate of growth of exports during the 6-year period (1986/87 to 1991/92) seems to be 13% in current US dollars (less in real terms) mostly led by RMG (about 29%). The fate of RMG is, however, hooked on to the factors mostly beyond our control. The export base is still very small and product diversification is yet to take place. The figures thus posited leave very little room for complacency whatsoever. Why is not the myth of export-led growth coming into reality?

First, it appears that this sub-set of reforms (also the set itself) is under taken only because the donors want to see it and not propelled by self-convection as was done in the cases of some other success stories. Lack of "teeth" on many issues confirms this unfortunate episode. To cite a few, still the effective protection is higher for production in the domestic market than in the international market. This is exacerbated by an over-valued real exchange rate. Second, the external liberalization is not being backed by the domestic de-regulations so much so that necessary relocations of resources are not taking place. In fact, our producers are at a non-level playing field as far as the cost effective supply of the non-traded inputs is concerned e.g. power/gas, services from Government agencies, infrastructure etc. Third, the non-transparent and hesitant liberalization moves tend to reduce business confidence.

Given these and other constraints bedeviling the investment environment in Bangladesh, the liberalization efforts could, perhaps, marginally raise the export share to GDP. But to make a dent (i.e. raising the export share from 9% of GDP to 13-14%) which is necessary for 6-7% growth rate of the economy, some radical measures are needed.

The By-passed Issues

Korea seems to be the only country cited as model by both the proponents and the opponents of liberalization. When talking about the enviable experiences of the NICs, especially of South Korea, we should bear in mind, at least, five fundamentals of such a growth syndrome. First, it is true that Korea followed an IS strategy with high protective walls. But a deep peep would reveal that only those industries, which showed higher internal growth rates, were purposefully protected. The inefficient ones were left to face the competitive consequences. Korea could manage it well although because of an efficient bureaucracy. It is, therefore, not protection per se but well orchestrated incentives scheme and active Government support to technology dissemination that were more important. Second, before the jump, Korea revitalized the rural sector by proper land reforms which Bangladesh lacks. Second, at the time the door was opened, it had a literacy rate of 78% gained within a span of only 15 years as compared to ours of 32%. Fourth, Korea was generous to devalue its currency Won even by 100% for the sake of the export sector while we tend to be tight-fisted in this case. And finally, the whole export-led growth was caused by a vision (long-run strategy) of addressing the price and non-price factors at the same wave length and not by a mere mission (short lived enthusiasm) of ad hoc arrangements, helter skelter. Bangladesh's reality of an export-led growth should hinge on those factors and on nothing else at the moment.

Mexico Goes Mad over Marcos

John Ross writes from Mexico City

Marcos mania is gripping Mexico, as the public tries to work out who exactly is "Subcomandante Marcos," the wry, official spokesman for the Zapatista guerrillas who staged an uprising in the southern state of Chiapas. He learned English from pornographic magazines, has been a left-wing activist and is aged about 30. The rest is mystery — and marketing.

MEXICANS still do not know the identity of the masked mystery man who has become chief spokesman of the rebellion which rocked the country on New Year's Day.

But rumours abound about "Subcomandante Marcos," and the country has gone Marcos mad.

Marcos stares at readers from the full-colour covers of national magazines, his eyes burning holes in his ski-mask, his arms folded across a black poncho zigzagged with bolts of red-capped bullets.

Bootleg videos of TV interviews with the "Mexican Rambo" are hawked by street-vendors. Ski-masks, once on sale all over downtown Mexico City, have been sold out for weeks.

Everywhere, the marketing of Marcos spells money. Dolls, lighters, T-shirts, ballpoint pens and balloons featured Marcos' image and slogans of the Zapatista Army of National Liberation (EZLN).

And then there were Los Alzados (Those who have risen up), the condoms bearing the Subcomandante's likeness that caused him to stalk out of a news conference, complaining that the blood of the Zapatista martyrs was being exploited by hucksters.

Some of his mystique stems from his ski-mask. He calls the Zapatistas "men without faces." "What do we look like?" he asks rhetorically. "Just look in your mirror."

Cameras converge on Marcos as he hunkers, smoking his pipe energetically through his mouth, or leaning forward to confide to North American interviewers in painfully fractured English that he learned the rudiments of "the language of the oppres-

sor" from reading pornographic magazines as a teenager.

The EZLN General Command designated Marcos their spokesperson because of his facility with Spanish. But Marcos' sardonic communications and his rambling, poetic monologues seem to far exceed the directives issued by his commanders to whom, he insists to reporters, he is subservient.

During the tortuous peace talks — conducted in four languages — Marcos dominated the EZLN's public profile, but clammed up on the day the terms of the agreement were made public.

Despite the subterfuges he has to deploy to evade identification by Mexico's judicial authorities, Marcos appears to be male, in his late thirties, a native of a northern provincial city, a National Autonomous University graduate with an intimate knowledge of the capital.

Some observers think he is trained in anthropology — although he teases reporters that he was once a journalist.

In the 1970s, Marcos was apparently affiliated with Trotskyist organising efforts in working-class areas. In the early 1980s he and four comrades went to live with Mexican Indian villagers near the Guatemalan border. Only one member of that original group of left-wing activists survives within the EZLN, says Marcos.

The Subcomandante appears to be an adroit military strategist — which suggests attendance at a United States military prep school. Despite his responsibilities in the EZLN power chain, Marcos maintains that he is a sub-commander, speaking only for

the General Command.

So who is this wise-cracking masked man?

He is not Walter Meade Treveno, a respectable government bureaucrat that the Excelsior newspaper unmasked in banner headlines as Marcos. Treveno showed up at the editor's door with a lawyer the next morning.

Nor is he the half-brother of his arch-enemy, former Chiapas governor Patrocinio Gonzalez, as reported exclusively by the Southwest Daily in neighbouring Tabasco, another potential defamation suit.

Nor is he a homosexual, he insisted to a reporter during a lengthy junkie interview. He has been linked romantically in the public imagination with Comandante "Ramona," the diminutive member of the General Command who addressed reporters during the peace talks on women's issues — a third of the Zapatista soldiers are women, many still in their teens.

Not everything Marcos says can be taken at face value. In an interview with the New York Times he described himself as smooth-shaven. "But your beard is poking right through your ski-mask," the reporter pointed out.

Whoever Marcos proves to be in the flesh, the force of his image radiates across the Mexican landscape.

Out in the Mexico City colony of San Pedro de los Pinos, where residents oppose the construction of a parking lot, a banner bearing the Subcomandante's likeness and extolling the virtues of the EZLN is draped across the site. Students charged an entrance fee at a city book fair chant anti-government slogans and roar "Marcos" in unison.



'Subcomandante Marcos': Mystery man

Hundreds of demonstrators demanding fair elections repeatedly shout "Marcos! Marcos!"

The mythification of Marcos is an unexpected chapter in this saga of revolution, which has damaged the credibility of the long-ruling Institutional Revolutionary Party. If the August presidential elections are not conducted with a modicum of honesty, Marcos warns, "there won't be enough cathedrals in Mexico" in which to negotiate with all the Zapatistas and other groups "who will rise up in revolt."

Whether the Subcomandante is playing to media hype or allowing the voice of the Clandestine Indigenous Revolutionary Committee to speak through him for once, Mexico's revolutionary soap opera is not over yet.

JOHN ROSS is a poet-activist-reporter with more than two decades of experience of covering Mexico.

To the Editor...

Role of the USA

Sir, War means adding fuel to the fire. The 1st and 2nd World Wars have proved so. In the 18th, 19th and even in 20th centuries some nations have been contemptuously accused of their ruthless ambitions toward empire but the United States of America has never been subjected to opprobrium. But after the devastating two world wars and widespread ruinations in Europe, Asia and Africa, macabre defeat of Italy, Germany and Japan in 1940's, the collapse of the mighty Soviet Union, the Eastern European communist countries and the emergence of the USA as the world's only super-power in the 1990's, the socio-economic and geo-political situations of the world have abruptly changed.

Today the good earth stands divided between G-7 on the

one hand and the rest of the world on the other. There are gulfs of differences between the two — militarily, in per capita income and standard of living, in science and technology and what not. The whole world appears to be moving on the direction of G-7. But whether it is United Nations, G-7, NATO, market economy, trade embargo, foreign aid, peace negotiations, war or peace, World Bank, IMF or any thing, we find everywhere the USA is playing a leading role. We wonder whether the USA is now-a-days guilty of a ruthless ambition toward a world empire. It is a food for thought for many — whether the handling of world problems by the USA single handedly, without any accountability and check and balance, lead the world towards peace or destruction.

O H Kabir
Dhaka-1203

Vehicle number plates

Sir, May I draw the attention of the Traffic Department to a recent innovation by the owners of private cars, zeeps etc. It is often seen now-a-days cars bearing additional protective (against rickshaws) iron bars at the front and rear. The horizontal and vertical iron bars often cover the number plates with total disregard to its implications.

Would the traffic sergeants please take note of this dangerous development?

Prof Abdullah A Haroon,
President, Bangladesh Society for Conservation of Environment

Agri education

Sir, If we say, although we have said a lot previously, that the Bangladesh Agricultural Institute (BAI), Dhaka is facing

this and that academic problem in functioning as an affiliated college under Bangladesh Agricultural University, Mymensingh, it might sound a one-sided talk. Because in the past, we had successfully apprised the government of the various academic and administrative problems prevailing in BAI and the authorities under the present democratic government had also taken the decision to sanction autonomy for BAI in the pattern of BITS. But owing to some problems the government finally dropped the proposal.

May I sincerely request the government to form an independent committee to review and appraise the existing situation of higher agricultural education in Bangladesh for identifying sectors for improvement and finding out solutions to the academic problems of BAI and other

agricultural colleges under government control.

M Zahidul Haque
General Secretary
Bangladesh Agri. Institute Teachers' Association, Dhaka

Law and order

Sir, The citizens of Dhaka are just about fed up with the law and order situation, in spite of what the hon'ble Home Minister or the esteemed police department claim. But what is now really beating the entire system is apparently the situation created by the 'overlord' truck drivers, who have seemingly held the minister, the police department, and yes, the entire government hostage to their vile and murderous ways. The only problem is that the innocent citizens pay the ransom while the high-ups, their children and families, safe behind the wheels of 'Pajeros' and

Rovers lie low for a few days when yet another victim is crushed under the wheels of the killer trucks, to surface again to give statements to the press on how good they think the law and order situation is.

Is it not time for the entire government machinery to start enforcing a vestige of law and order, and time for raising their head from under the sand? The main problem at this point in time seems to be that the near and dear ones of the law makers do not travel in rickshaws and motorbikes. They travel in government provided transport, with outriders clearing the way for them. Perhaps the time has arrived for them to be put in rickshaws and let loose on the city roads! The authorities would act fast then, against the truck drivers.

P Haque
77-D Uttara Model Town, Dhaka