

A Perspective of the Private Sector in Bangladesh

by KB Ahmed

Bridge for 21st Century

At long last the Jamuna bridge project is set on a firm course to be a dream-come-true by 1997 — just the period of time absolutely necessary to construct a civil engineering marvel of such complexity and magnitude.

Since the external financiers have come forward only after being fully satisfied with the technical feasibility and the economic return potential of the bridge it can be said to have passed the highly exacting normative test in international parlance.

Bangladesh which is otherwise mentioned as the most homogeneous nation among the countries of South Asia — being unilingual — has had a river like the Jamuna, if not so much the Padma, separating its north-western part from the eastern half of the country.

Given the endless list of the benefits to accrue from the project, it is from its very construction phase that we must ensure an effective use of the internal and external inputs to ensure its smooth completion.

So, as soon as the clatter and the clank rend the air we must be nationally alive to the twin task of taking forward the construction as well as the rehabilitation works to their successful completion.

Unwanted Eatables

A special police drive against adulterated food and manipulated weight is going to be launched from April 15. It is heartening to know that at the time of conducting the drive, representatives from the health directorate and Bangladesh Standard Testing Institute (BSTI) will be present.

This time, let us hope, the three agencies, including the CID, charged with the responsibility, certainly have a point to prove. The point is that their collective efforts can bring order in the chaotic food production, processing and business sphere.

It is however a dangerous symptom. People's health is too important an issue to be left to the profit-mongers. We have time and again commented in this column on how malpractices and criminal offences are being committed to put at risk the health of the entire nation.

The prime task of such drives should be to break the unholy alliance of dishonest traders and producers. One thing has to be made mandatory: the quality of eatable items must meet the specification of the BSTI, failing which any factory or industry will make itself ineligible for the manufacturing licence.

Historically and traditionally capital was accumulated from agricultural surplus, land rights (mineral resources) and feudal wealth. In Bangladesh all these three sources are non-existent.

The multi-lender institutions, in particular, within the Bretton-Wood frame-work have managed so far to contain management and overhead costs within 40 per cent and therefore, they can luxuriate in evaluating and contradicting their own recommendations of policy options for managing a nation's economy.

A nation needs unified commitment of homogeneous population and contiguous regional affinity, of culture and of habits in the market. The regional and geo-political objectives are as important for a nation as borrowing from the multi-lender institutions, to achieve the economic goals.

Privatisation will not necessarily lead to free market systems, as private management is only one of the structural functions of the free market. Free market requires some preconditions to be met before it can start functioning.

The total accumulation of capital during 1946-70 Pakistani period by the so-called East Pakistan entrepreneurs was so minuscule as not to be measured by any scale of economic indicator. However, some investors from West Pakistan under the patronage of PIDC (EPIDC), PICIC, The Industrial Bank, and various commercial banks were directed to invest in carefully chosen sectors for foreign exchange earning.

Against this background one needs to ask, where is the capital in Bangladesh? Who accumulated it and how was it accumulated?

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East Pakistanis were mostly employed in the civil service, mid and lower level business management, and in the unproductive agriculture.

Therefore, no accumulation of capital or assets took place before 1970 with the exception of some low-level personal savings and building of some new dwelling houses in the new town centres around the province.

By 1970 the leading politicians, social scientists and economists started highlighting the plight of the people of LDCs and had put forward several proposals as part of ODA of which a part was to be managed by the multi-lender institutions and the other part negotiated bilaterally with the individual donor.

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siphoning off further funds from the system. It involved all sorts of fraudulent practices from assets manipulation to hiding profits. When one is allowed to peep through the state of affairs of these investments, one may experience the modern day stories of Arabian Nights.

Some investments are continually making losses for twenty years and banks are buying the excuses and refinancing the management. Some investments physically do not exist and banks are carrying the loan in the books without any verification (or some sort of verification).

New houses have been built, plush offices are decorated, impressive presentations are made to foreign visitors and regional cooperations are enunciated; and in short a culture of fraudulent practices is being perpetuated in the name of promoting private investments.

Taxes are not paid, if not avoided, bills for utilities are not paid for years and when paid, bills are discounted by private negotiation. Treasury comes short on every account.

In any market economy self-regulation is very fundamental to its expansion and success. The legal system and system of accounting are equally important for self-regulation.

Almost all of the so-called private sector investors borrowed from these banks under political and bureaucratic patronage and they succeeded in

tor as it is in the public sector. The auditors failed to discharge their statutory obligation in advising in their reports the anomalies and discrepancies of investment and of the management. They happily certified any account as long as they were paid the fees and expenses.

Against this background, one needs to carefully consider the ramifications before foreshadowing a bright future for investment in Bangladesh. This is not to oppose investment in Bangladesh nor is it to plead a case against free market systems but to say that the default culture has to be stopped from staging a comeback.

Politicians mostly suffer from hypocrisy and bureaucrats are perennially aggrieved groups, but nation's welfare can not be dependent on political expediency or on complaints of the bureaucrats.

Bucks Replace Bombs in the Battle for Burma

Daniel Girard writes from Manerplaw, Burma

Burma's army rulers have gained legitimacy and international investment by negotiating ceasefires with some of the ethnic groups with whom they have been at war for years, and by allowing the jailed opposition leader to meet a foreign visitor.

Rangoon's rocky road

Infographic showing a map of Burma and a timeline of key events from 1948 to 1993, including independence, civil war, military coups, and the rise of Aung San Suu Kyi.

position National League for Democracy led by Aung San Suu Kyi. Since the 1988 crackdown, the democracy forces have been based at Manerplaw, alongside the Karen.

Bo Mya admits peace talks are likely to fail and that his under-equipped, outnumbered army will sustain heavy losses. Asked through an interpreter if he expects an attack before the May rains, he shrugs: "We just don't know."

But few observers expect Rangoon to launch a major offensive. For more than a year the cash-starved military junta has been operating a public relations campaign to change its international pariah status.

"This war has changed from one of weapons to one of economics," says Phaitoon Phomwichit, a researcher at Chiang Mai University in northern Thailand.

Following that theory, it signed a ceasefire deal with the Kachin Independence Army in January 1993, providing an unhindered path for arms and other goods to travel from China to Rangoon.

That move, plus other ceasefires with smaller groups, along with the process of writing a new constitution which will enshrine the military's

place in future governments, have increased the junta's legitimacy.

When it recently allowed the jailed Suu Kyi to see her first non-family visitor since her 1989 arrest — United States Congressman Bill Richardson — many called it a positive sign.

Richardson said junta leaders must talk with Suu Kyi to discuss the country's future and that if the meeting took place "some modest step from the US would be appropriate."

Shortly after the Richardson-Suu Kyi meeting, junta personnel were quoted as saying he 1991 Nobel Peace Prize winner would remain under house arrest for at least the remainder of the year.

to be permanently barred from politics under the new constitution.

Thailand, which is home to about 70,000 Burmese refugees, has announced it would restrict cross-border travel by non-governmental organisations aiding insurgent groups. It has also been cracking down on arms shipments to the Karen.

The Thais and others have talked publicly of larger-scale investment in Burma in natural gas, dam construction and logging.

They are also proposing to invite Burma as a guest to the annual summit of the six-member Association of South-east Asian Nations (ASEAN) scheduled for Bangkok in July. The group's other members are Malaysia, Indonesia, Singapore, the Philippines and Brunei.

Such talk has outraged human rights groups who say that while large-scale military operations may not be as prevalent, the junta still rules ruthlessly. Peasants continue to be conscripted as battlefield porters, while the military exports money and crops from farmers and imprisons hundreds of its opponents.

And the reason the international community is ignoring the abuses and accepting these cosmetic changes is simple, critics say: greed.

"Burma's got everything that everybody else wants in terms of resources. They're sitting on a goldmine," says Faith Doherty of the Southeast Asian Information Network, a Thai-based non-profit organisation monitoring Burma.

Thailand and its ASEAN partners have adopted a so-called constructive engagement policy towards Burma.

That means they will do business with Rangoon in the hope that the military will be encouraged to reform.

"Thailand's Deputy Foreign Minister Surin Pitsuwan said his country was an 'outsider' and would not get involved in (Burma's) internal affairs."

General Bo Mya says that while Thailand has restricted the flow of weapons into Karen territory, thereby doubling the price of those available, his group has had no problem in continuing cross-border trade with Thai logging firms.

A 1993 UN General Assembly resolution expressed "grave concern" with the junta's continued human rights abuses. But tough words have not been followed by actions.

Feeling betrayed by the international community is not the only problem facing the insurgent forces. When the Kachin signed their ceasefire with the military they were expelled from the democratic alliance.

Suu Kyi has urged opposition groups to stop squabbling. "We must be united if we want to get democracy," she said. "It's not going to do us any good if people keep condemning each other."

Opposition forces face a tough battle to get the international community and some of their own groups back on side as they were following the 1988 military crackdown. But there is no talk of surrender.

"Sometimes I suffer for our alliance," admits Maung Maung Aye, Minister of Trade in the exiled National Coalition Government of the Union of Burma.

"But I never suffer from isolation because we are working for our people. Behind the military, our people are waiting for us."

DANIEL GIRARD is a reporter with the The Toronto Star on a one-year internship with Gemini News Service sponsored by the International Development Research Centre in Ottawa.

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.

BAI problems

Sir, Before drawing the kind attention of our esteemed Agriculture Minister Maj Gen (Retd) M Majid-ul-Huq through this column, I would like to acknowledge with due appreciation his significant contributions in the development of the country's overall agriculture sector including agri education, research and extension. Under his able and dynamic ministerial leadership, the country has reached self-sufficiency stage in the food sector.

Bangladesh Agricultural Institute (BAI), Dhaka have so far been solved. Now I would like to draw his kind attention to the following three major problems of BAI teachers, students and staff:

Service Rule problem: For the last few years teachers serving in different agri colleges including BAI are not getting promotion because of a separate service/promotion rule, other than the existing one of BARI. The job of teachers is quite different to that of the scientists, hence the criteria for evaluating teachers' performance should also be

different. Accepting this difference, a new service rule has been drafted by a committee and submitted to the Ministry of Agriculture for approval. No action has yet been taken on this.

Accommodation problem: Although under the initiative of the present democratic government, some new residential quarters for teachers and staff and new Halls for students have been constructed inside the BAI campus, the accommodation problem is still too acute. On the other hand, there are some century-old staff quarters which lack modern amenities. The teachers are residing in these quarters ignoring various problems — which are below their entitlements too. Some years back, standard rents were introduced for these quarters but later on full rent is being imposed. As these quarters are sub-standard and dilapidated, it is therefore illogical and un-

just to collect full rent from the occupants of these quarters. Hence, a proposal has been made to the higher authority to retain the standard rent system on the old quarters on the BAI campus.

The outstanding gas/electricity bill problem of the students' Halls still remains unsolved. We would be highly grateful if the esteemed Agriculture Minister may please take necessary steps by applying his good office to solving the above mentioned problems of BAI at the earliest.

M Zahidul Haque, General Secretary, BAI Teachers' Assoc, Dhaka

Save Lalmatia roads

Sir, Lalmatia roads have been just carpeted by the authorities concerned. We are very pleased and thank them. However, a few land owners are busy doing construction

works using these roads to serve their purposes. Soon these newly carpeted roads will be ridden with pot holes and will become almost unusable. By what right these land owners are engaged in using these roads knowing very well what the outcome would be? They simply do not care! But we do, and request the authorities concerned to take immediate action to stop this damage before it is too late.

Azad Rahman, Lalmatia, Dhaka

Jamuna Multipurpose Bridge

Sir, We express our heartfelt congratulations to the Govt of Japan for signing an agreement to provide 200 million US dollars as co-financier for construction of Jamuna Multipurpose Bridge. We also congratulate the other co-financiers i.e. World Bank and Asian Development Bank. The

Construction of the bridge will help build economy of the country. The contribution of Japan, World Bank and Asian Development Bank will be remembered by the people of Bangladesh for ever.

The donor agencies very often blame us for not utilising the fund in time. The construction work of the bridge has already been delayed. I would request the concerned authority to start the work at the earliest possible time. The construction work has got many phases. The works like construction, river training, approach road and rehabilitation of the displaced persons can be started simultaneously.

There should be frequent meeting of all agencies to evaluate the progress of work. This will help speed up the progress of work.

Mahbubul Haque Chowdhury, Kalabagan, Dhaka