

Japan's current  
account surplus  
jumps to  
\$ 13.98b

TOKYO, June 3: Japan's massive current account surplus jumped to 13.98 billion dollars in April from 11.40 billion dollars a year earlier, the finance ministry said today, reports Reuters.

The nation's surplus in trade alone rose to 13.25 billion dollars in April compared with 11.84 billion dollars a year earlier, it said.

Economists had expected an April surplus in the current account — the broadest measure of trade in goods and services — of around 11 billion dollars unadjusted for seasonal factors.

Private and government economists have been saying the mammoth surplus was showing signs of peaking as the strong yen boosted imports and dampened exports, but said it would take time to shrink.

The higher figures came as Japan and the United States resumed stalled talks in Tokyo and in Washington on ways to whittle down the surplus and improve foreign access to Japanese markets.

The new talks follow a trade truce struck in Washington by the two nations.

Japan's employers  
still favour men  
more than women

TOKYO, June 3: A Japanese minister said on Friday that Japanese employers still believed men did a better job than women, and he urged employers to break the mould by hiring female graduates, reports Reuters.

Economic Planning Agency Minister Hoshio Terasawa said Japanese women received unequal treatment from employers.

"Of course there are a lot of good women students around," Terasawa told a news conference. "I suspect employers still have outmoded ideas that boys do better jobs than girls do."

Terasawa said he had told his cabinet colleagues Japan lagged behind other industrial countries in that it was still arguing about equal rights.

"It's a waste. I regret that foreign banks and securities companies are snatching away good women graduates while Japanese firms are giving up on them," said Terasawa, who came from the securities industry.

The cabinet has set up a working group to help women students find jobs. Japan's three-year recession has prompted many firms to cut the number of new graduates they take on, particularly women.

Aussie  
economy  
may expand

SYDNEY, June 3: Australia's economy may expand faster than government forecasts if businesses start to boost investment, Treasury Secretary Ted Evans said here today, reports AFP.

Treasurer Ralph Willis forecast on May 10, when handing down the country's budget, that the economy would grow by 4.5 per cent in the year to June 30, 1995 and by 4.25 per cent in 1994-95.

But Evans, Willis's top advisor, when asked if a 4.5 per cent growth rate could be extended into 1995-96. Told reporters: "yes, it is hardly out of the ball park".

He added that "nothing is impossible" when it came to a revised forecast before the next budget.

On Wednesday, the Australian Bureau of Statistics said Gross Domestic Product expanded by 1.9 per cent in the three months to March 31 giving an annual rate of 5.0 per cent.

However, the government official warned that sustained economic growth depended on business investment, forecast by Willis to increase by 14.5 per cent in 1994-95.

"If the investment recovery does not begin soon, it is true that it could pose a problem for inflation or the current account deficit, though only if the cause is business myopia, he said.

It was not yet clear if the target in the 1994-95 budget for a 14.5 per cent lift in business investment would be met.

"The sustainability of the recovery will be helped by the conjunction of business investment taking over as a main source of growth, underpinned by release of funds from the housing sector.

Third World not much benefited  
from price-hike in commodities

LONDON, June 3: Recent price rises in commodities are a symptom of chaotic markets and have not brought huge benefits for Third-World producers, a senior official from the African, Caribbean and Pacific group said on Thursday, reports Reuters.

"Prices fluctuate very dramatically and not round an average that is bearable," Carl Greenidge, Deputy Secretary-General of the 70-member ACP group of poor nations, told a news conference.

"Prices are such that increases in revenues are barely sufficient to keep body and soul together (in producer nations)," he added.

Commodity prices have soared on international markets recently. Coffee prices

have doubled since the start of 1994 and are currently around 2,080 US dollar a tonne for September delivery in London. Cocoa prices have also surged.

Greenidge cited a recent bankers' study which estimated that commodity prices during 1993 were eight per cent below the average cost of production.

He said the ACP countries, many of which are heavily dependent on just one commodity such as coffee or cocoa for their foreign-exchange earnings, would like to see international commodity agreements with a price mechanism that would iron out the fluctuations in prices over a long period.

He said that "volatility in

what he called the "chaotic" international commodity markets of the last five years could be attributed to influences other than the traditional effects of supply and demand.

On the one hand, speculators in an increasingly active future market helped to move prices wildly, while at the same time a large number of very small producers were seeing the commodities market controlled by just one, two or three buyers.

Greenidge said that ACP countries need to broaden their range of exports to reduce dependence on just one or two commodities for export earnings, such as coffee and cocoa.

But he also underlined that

producers receive only a small share of the final price of processed goods, he referred to research carried out by the world development movement, a third-world campaign group, that showed a cocoa farmer received eight pence (12 cents) from a pound sterling (1.50 US dollars) chocolate bar, while the UK government took nearly double that in taxes.

Greenidge said he favoured establishing international commodity agreements whereby producers and consumers would meet regularly and agree on a target to try to keep prices reasonably stable over a long period, using stocks to counteract wild speculation.

Police unearth  
Swiss account of  
late Russian  
painter

BANGALORE, India, June 3: Police said Friday they are seeking help from a New York woman who jointly held 34 million dollars in a Swiss bank with the late Russian painter Svetoslav Roerich, reports AP.

Disclosure of the secret account on Thursday came two months after the death of Roerich's widow, Roerich, who lived in India for 50 years, died last year.

Police were investigating the disappearance of Roerich's paintings and other assets from his estate near Bangalore, capital of Karnataka state in southern India.

Inge Borg, a 91-year-old resident of the New York, was found to be co-holder of the account that had been opened in the 1950s, said a senior officer on condition of anonymity.

He said Miss Borg was a close friend of Roerich, but investigators are baffled why the Russian made no known mention of the money either in his wife or in his declaration of assets.

Roerich married one of India's top film actresses, Devika Rani, four decades ago. Since the couple had no children, distant relatives and their former secretary have made claims on the billion dollar estate.

In a separate development, police arrested the secretary, Mary Joyce Poonacha, late Thursday on charges of possessing stolen property.

She led the police to 37 boxes that had belonged to the Roerich couple containing mink coats, silks and jewellery that apparently were stolen a week before Mrs Rani's death.

Mrs Poonacha's husband, Anil Poonacha, was arrested last month and was free on bail.

Colombia raises  
coffee prices

BOGOTA, June 3: The Colombian government announced a surprise increase of 7.5 per cent in domestic coffee prices Wednesday, it was learnt here today, reports Xinhua.

The decision was taken due to the good performance of coffee prices in the world markets. The Colombian government had decided to raise domestic prices on the condition that coffee prices abroad remained above 1.40 dollars a pound.

Foreign Trade Minister Juan Manuel Santos said that the rise would benefit immediately the current harvests in the departments of Narino, Cauca and Tolima.

Colombia is the second largest coffee growing and exporting country in the world.

Americans find job, but  
not the one they want

WASHINGTON, June 3: Americans are finding jobs, helping to keep the unemployment rate down, but they are not necessarily finding work they want, analysts say, reports AP.

Temporary, part-time and low-paying full-time positions comprise the bulk of new jobs being created, note economists who now expect a slackening in the rapid job growth shown in the early months of this year.

"Given all the economic numbers we've been getting, the economy seems to be slowing down somewhat," said Sung Won Sohn, chief economist for Norwest Corp. in Minneapolis.

Most economists expected the May unemployment report to show job growth continuing at a reasonably healthy clip while also indicating some cooling in the economy.

Weekly jobless claims in recent weeks have suggested a slowing in hiring gains, although economists note that the weekly numbers can be extremely volatile.

Still, such a weekly trend "typically does signal a slackening of employment gains," said Stephen Roach, senior economist with Morgan Stanley and Co. in New York. "There's been a pretty steady deterioration in (weekly) jobless claims from mid-April to mid-May."

Most economists were predicting the report would show the addition of 285,000 workers to the nation's non-farm payrolls. Roach was expecting a smaller 270,000, while Sohn was predicting and even more modest 250,000. The increase would be considerably smaller taking into account the 70,000 striking Teamsters union members

who returned to work after a nationwide trucking strike.

The Labour Department reported last month the 267,000 new jobs were added, even with the truckers on strike. Rapidly growing payrolls was part of the reason the Federal Reserve moved to push up interest rates.

Rober G Dederick, chief economist with the Northern Trust Co. in Chicago, said the report will be crucial in the way it affects the financial markets.

He said investors would be "shaken" if the report revealed a higher number of new jobs than expected.

Analysts said they expected the real story in the May report to be the quality of jobs.

Some economists believe the nation may be reaching full employment, that elusive, almost undefinable point at which the highest possible number of people work without causing the economy to overheat.

"The problem is that still leaves a lot of people out of jobs because they don't have the required skills and it leaves a lot of people with unsatisfactory jobs," Dederick said.

Growth in the number of lower-wage jobs was behind a government report that said the nation's workforce is separating increasingly into an upper tier and a swelling "underclass of low-paid labour."

The report, released Thursday by President Clinton's Commission on the Future of Worker-Management Relations, said lower level workers are paid markedly less than comparable workers in other industrialized countries while well-educated employees at the top do better than their foreign counterparts.

US accuses GE of suppressing  
jet engine test results

CLEVELAND, June 3: The Justice Department is suing General Electric Co, accusing it of suppressing test results showing 7,000 military and commercial jet engines — including those on Air Force One — had dangerous electrical flaws, reports AP.

The government is seeking at least 100 million dollars in damages in the lawsuit unsealed Thursday in federal court, the Plain Dealer reported Friday.

The Justice Department said the alleged flaws could cause fires or loss of power. No crashes were mentioned in the lawsuit.

GE, which builds the engines in suburban Cincinnati, denied the allegations — which were first leveled by a whistle-blower — and said its engines have the best safety

and reliability record in the world. "It is unconscionable to raise baseless allegations that could wrongly raise concerns in the public mind," GE spokesman George Jamison told the Associated Press Friday.

The company said it told the Pentagon and Federal Aviation Administration of the whistle-blower's safety concerns in 1992.

The allegations in the lawsuit involve a process that shields a jet plane's electrical components from microwave and radar transmissions, radios and other devices that can interfere with engine operation.

These GE engines unnecessarily endanger the health and well-being of pilots, maintenance service personnel and passengers, government said.

US economic indicators  
unchanged in April

WASHINGTON, June 3: In another sign of a cooling economy, the government's chief forecasting gauge of future US economic activity was unchanged in April after posting a healthy gain the previous month, reports AP.

The Commerce Department said Thursday the index of Leading Economic Indicators remained at 101.2, matching the March figure, which was the highest since the government began keeping the index in 1948. The flat report was anticipated by analysts, who said most evidence points to an economy expanding at a slower rate that likely will weaken even further in the

second half of the year.

In another economic report Thursday, the Labour Department said the number of first-time unemployment claims declined by 4,008 last week, the third consecutive weekly drop. The report said a seasonally adjusted 362,000 people filed first-time claims in the week ended May 28, down from 366,000 the previous week.

Before Thursday's report, the index had risen in seven out of the last eight months, remaining unchanged in February. The March advance of 0.7 per cent marked a rebound from the winter doldrums.

The Commerce Department also said orders to US factories declined 0.1 per cent in April, only the second drop in the last nine months.

"The economy is in the process of slowing," said economist Sung Won Sohn of Norwest Corp. in Minneapolis in advance of Thursday's reports. "But the major impact of rising interest rates will come later. It is a cumulative effect that is building right now."

The financial markets have been relatively stable this week as reports suggesting slower growth have been announced. Five of the 11 components of the index advanced, led by slower business delivery times.

Rly implementing  
31 dev projects

Communications Minister Oli Ahmad said Bangladesh Railway is implementing 31 development projects involving Tk 167.82 crore including Tk 67.63 crore in local currency under the revised Annual Development Programme of 1993-94, reports UNB.

The minister was addressing the senior railway officials in an operational and development review meeting held at the Rail-Bhaban on Thursday.

The money involved and the number of projects undertaken in the revised ADP is higher than ever before. Oli informed the meeting adding that among the projects four important ones will be completed in the current financial year.



Meghna-Gumti Bridge (seen from the Comilla side)

## The state of human development in Bangladesh

By Selim Jahan

(Following is the remaining part of the article published on page 6 of our yesterday's issue.)

Even though the food production in the country has increased over the last decade by more than 4 million metric ton, per capita food production in Bangladesh has gone down by 4 per cent between 1981 and 1991. At the same time, the food dependency ratio has increased from 8 to 12 per cent. Still the per capita food grain availability in Bangladesh has declined from 168 kg to 164 kg, between 1985 and 1992. In 1988-89, the daily per capita calorie intake was only 88 per cent of requirements and in case of protein, the relevant figure was only 64 per cent. As a result, about 30 million people consume less than 1900 calorie per capita per day.

In the area of health security, Bangladesh has made quite some progress by raising the budgetary share of rural health clinics from 10 per cent in 1978 to more than 60 per cent by the late 1980s. Still there are areas of concern which threaten the health security of the people. The maternal mortality rate in Bangladesh in 1988 was 600 per 100,000 live births and 47 per cent of the pregnant women were anemic in 1991. The infant mortality rate in 1992 was 86 per 1,000 live births. More than 66 per cent of the children under-5 years were underweight in 1990 and in 1992, more than 11 million children in this age-range were malnourished. There is one doctor for more than 5000 people and there is one hospital bed for more than 3000 people. Less than 1.5 per cent of GDP is spent on health and the annual per capita expenditure on health is only seven US dollars.

Bangladesh has a population density of more than 800 people per square kilometer — one of the highest in the world. As population grows, more and more poorer people are pushed to marginal and vulnerable lands in the coastal areas for their livelihood. Thus whenever there are natural disasters, it is the poorer people who become the victims of such disasters. At the current growth rate, the population of Bangladesh would be double by 2020. If present and future development bypass this increasing population, it would imply deterioration of the poverty situation. Poverty has a two-way relationship with environment — poverty leading to environmental degradation and environmental degradation perpetuating poverty. This relationship is well manifested in Bangladesh, particularly in the country's northern region. The annual deforestation rate in the country is 0.9 per cent. Environmental insecurity in Bangladesh does not generate from within only. Global warming has its negative impact on it as well. With a one-meter rise in sea level partly due to global warming, Bangladesh, which produces only 0.3 per cent of global emissions, could see its land area shrink by 17 per cent. Thus the country faces serious environmental insecurity both from within and outside.

There is no denying the fact that personal security is un-

der threat in Bangladesh. The educational institutions have become the prime grounds of muscle power for political parties. Weapons have showed up on the campuses in significant numbers. The country has lost quite a significant number of innocents but potential lives in campus-clashes of different educational institutions. Even security on the streets or at home has come under threat. The number of killings, burglaries, and hijackings are on the rise and there has been some deterioration in the law and order situation in the country. One should reexamine the basic question, in Bangladesh, is human life safe and secure at home, on the streets, at work place or within the community?

In Bangladesh, the military expenditure represents 1.4 per cent of GDP, which is exactly the same share the country spends on health. Military expenditure is about 41 per cent of the combined expenditure on health and education. Even though this figure is low compared to the corresponding figures for a number of developing countries, still its rationale needs to be reassessed when there are 51 million people living below the poverty line and 30 million people consuming less than 1900 calories per capita per day. Does the country or the people need or afford 6 soldiers per doctor? Should it continue to import \$221 millions worth of conventional arms or should it divert the resources to human priority concerns where it could provide basic health care to 44 million out of 48 million people who lack access to such care; or it could impart basic education to all the 5 million children who are not in primary school?

## Policy Implications

The preceding analysis implies a number of things. First, in a country like Bangladesh, human securities inter-linked with human development. The choices of the people cannot be enlarged unless there is an ensured framework of human security. Second, it is only preventative sustainable human development upstream which can ensure human security in the Bangladesh context. Third, the country must have a development strategy which is people-centred in terms of enhancing their capabilities, enabling their proper access to and participation in opportunities and decision-makings, and ensuring their fair share in development benefits.

All these have a series of policy implications. In a country like Bangladesh, the investments must be in people, the only capital the country has. It is imperative to enhance human capital so that increasingly they can replace physical capital in the production process. At the same time, both macro and micro policies must be such that they ensure the equitable access of all people to basic productive resources such as land, credit, foreign exchange. The market economy

cannot work properly anywhere unless the playing field is made even.

In a country like Bangladesh, where more than half of the population live below the poverty line, there should not be a distinction between the growth strategy and poverty alleviation programmes. In fact, in such a situation, the overall growth strategy must be poverty-alleviation-oriented and poverty alleviation should not be treated as a residual to such a strategy. Furthermore, the growth strategy of Bangladesh must be employment-friendly and sensitive to the coping capacity of nature.

The HDR 94 has made the specific proposal of a 20:20 compact for ensuring the human priority concerns in all developing countries. These concerns which include basic education, primary health care, safe drinking water and sanitation and basic family planning. The main idea of the compact is that the developing countries would allocate to such priority concerns, on average, 20 per cent of the expenditure instead of their present 13 per cent and donors, instead of their current 7 per cent average, would also devote 20 per cent of their aid to this compact. Bangladesh has already devoted more than 10 per cent of its expenditure and 14 per cent of the bilateral aid it receives to human priority concerns. Yet the unmet gaps in each of these areas are quite large and the list of unfinished agenda is long. Under such circumstances, the country must go beyond the 20:20 not by restructuring their basic development funds, but by redirecting their non-development expenditures to such a compact. At the same time, there must be fundamental changes in the remaining 80:80 framework.

## Conclusion

Human insecurity anywhere is a threat to human survival everywhere. The absence of human development can lead to socio-political tensions, ethnic conflicts and ultimately social disintegration. The countries in crisis in the contemporary world bear testimony to this fact. The battle of today's human insecurity cannot be fought with the weapons of yesterday's concept of national security. It would need sustainable human development upstream which is the best insurance against human insecurity and its adverse consequences.

All these have significant implications for a country like Bangladesh where human survival and human security face a number of challenges. It would be upto the policymakers of the country to rise to such challenges with sincerity and political commitment and change the course of future events. Otherwise, the growing insecurity of the majority of the people would be a threat to the survival of the advantaged minority, when the overall security of the country and the nation will be at stake.

Computer giant to  
give his asset  
away to charities

WASHINGTON, June 3: Bill Gates, head of computer giant Microsoft and one of the world's richest men, has promised to give most of his estimated eight billion dollar fortune away to charities, reports AP.

The 38-year-old said in an interview in the next issue of Playboy magazine, that he would start giving it away when he is in his 50s.

Ninety-five per cent of it I'm just going to give away to charitable things, scientific things," explained Gates.

"Don't tell people to write me letters," he added. "It's a lot to give away and it's going to take time."

But Gates stressed that his fortune was in stock he held, not cash in the bank.

"Remember I don't own dollars, I own Microsoft stock. So it's only through multiplication that you convert what I won into some scary number. It's a ridiculous number," he insisted.

Gates holds 149 million shares which this week were trading at 53 dollars a share.

In the interview, Gates also revealed that when he was a child his parents worried he was an underachiever.

"When I did get into trouble in school they sent me to this psychiatrist.

He gave me a little test and books to read. I only saw him for a year and a half and never saw him again. But my mind was focussed appropriately," said Gates.

The computer genius said he was upset when his power was hyped up in the press and television.