

## Lift the Fog on Privatization

A policy on privatization has at last been formulated. The cabinet also has approved the policy. This is a welcome development. We have been urging the government through these columns to come out with a comprehensive set of guidelines on privatization. We have argued for added transparency in the process. We would now call upon the government to make its privatization policy public.

The official news agency report on the contents of the policy is rather terse. It only says that the policy covers various aspects of privatization, including the institutional setup, modalities of the programme, selection of state-owned enterprises for sale and valuation of their assets. The report thus rouses curiosity rather than inform. It has now become all the more urgent for the government to tell the public in clear-cut terms about the contents of the policy formulated by it.

Simultaneously with the issue of its policy statement on privatization, the government should also launch a public awareness programme. The conceptual base of privatization, our needs for such a programme, its possible impact on the society, how the adverse effects can be mitigated and the benefits maximized — all these issues should be debated in public. The aim of the programme would be to provoke response, answer them and modify the policy where it is necessary.

Meanwhile, another agency report says that a bill has been introduced in parliament to convert the heavily losing public sector industries into public limited companies. Presumably, the government would then be in a position to sell the shares of these enterprises to the public.

The move has implications for the privatization programme. So long, government had been selling off state-owned enterprises to auction bidders lock, stock & barrel. It is difficult to get buyers for loss-making enterprises, most of these with negative net worth. Broken up into shares, ownership of an enterprise can be transferred in bits and pieces to the general public, instead of looking for a single buyer.

The move to convert only loss-making enterprises into public limited companies, is something which defies understanding. If the idea is to diffuse future ownership of state-owned enterprises being privatized, then all these entities ought to be turned into public limited companies. The government could thereafter sell all the shares of the companies, or some of these, to the public. The general public would thus have an opportunity to own the enterprises after privatization.

However, turning only loss-making concerns into public limited companies and then selling these shares, do not look like a fair deal. The public would, in this case, get to be the owners of losing enterprises only. In such a scenario, profitable state-owned enterprises would go exclusively to investors who can put up large sums of money at one time. Ownership of the enterprises privatized would then tend to get concentrated in a few hands.

Perhaps this is another area where the government's policies need to be clarified. Hopefully, the privatization policy statement would clear up this and other areas where misgivings continue to linger in the public mind.

## Overreaching a Target

Bangladesh has a very unenviable record of setting a target in every matter and never hitting it. Performance in all of our collective endeavours — specially of the governmental variety — falls far short of that warranted by the target. And there are targets so unrealistically set that the best of performances wouldn't even attain them. The celebrated examples of the latter include targets expressed by the slogans 'Education for All by 2000' or 'Health for All by 2000' etc.

In such a situation it was gratifying to hear the Minister for Energy Khondokar Mosharraf Hussain say that till April this year 6270 kilometres of distribution lines were laid under the rural electrification programme where the target was 5,800 kilometres. This is good work and should be kept up at all cost.

While we congratulate the REB for this achievement, we do remember their exceptional performance all the way from their very inception. This cannot be said of very many enterprises, government or otherwise. The surest way to develop a society not only economically but also socially and culturally is to reach electric power to each of its constituent families or to *electrify* the society, so to say. We are very happy that a government set-up is doing this job with efficiency and without any attending fanfare.

The minister said in Jeddah on Friday that in the next financial year 2000 more villages will be electrically 'energised' at a cost of Tk 509 crore. We are sure REB will again be able to do this bit of their job with their usual efficiency.

Bangladesh's total energy picture is far from a happy one. Rather, it seems to be perpetually jinxed. How can the rural electricity sub-sector be kept out of the way of contamination? And, by the way, are the 'energy dividends' of the energised villages being properly monitored in economic, social and cultural terms — beside the commercial one? It is not enough that the investment in power should barely be able to keep the concern going.

And, by the way, what about striking up dynamic and innovative ways of generation and distribution of power, specially in the villages? The new modes promise far less investment and does away with dependence on oil and metal and full-fledged plant import. By the first quarter of the next century villages everywhere should be able to produce their own electricity — from biomass or solar energy or tidal power or whatever. Are we among those that will reap the first harvests of that revolution? We are not sure, and there is nowhere any sign of that.

**F**ESTIVALS are good times for business. People put money by to spend on such occasions. Some also get largesse by way of festival bonus. All in all, people loosen their purse-strings and spend their money not only more freely but also on a wider range of goods than they are normally wont to. The rich even squander a bit.

Business does not come the way of traders and shopkeepers alone. Opportunity knocks on other doors too. Holidays come with festivals, bringing an exodus of people, from cities to towns, from towns to villages and the other way round as well. This urge to leave their normal place of abode and venture out, come to people because, it is said, they wish to pass the times for festivities with their near and dear ones. However, holidays are finite. So the seekers of near and dear ones hurry along — rushing to their destinations. Modes of transportation and the capacity of the system to carry people and the load of their belongings, do not expand overnight to cope with the mad rush. The supply side of the transportation equation basically is inelastic. Thus comes an opportunity for some to make an extra bit of money.

During last month's Eid-ul-Azha rush, newspapers were full of reports how passengers were paying 10 to 50 per cent more than the normal fare for their bus tickets. Train tickets were all sold out at the counters but available nonetheless outside — at higher prices, of course. Launch and steamer passengers were reported to have paid ten to thirty taka more on each ticket. That is not all. Baggage-handlers, bet-

## Economics of Festivals — Some Gain, Some Lose

*The sacrificial animal takes a pivotal place in Eid-ul-Azha festival. For many families, the act of sacrifice claims the biggest chunk of the outlay on the festival. Transactions leading up to the sacrifice have economic ramifications too.*

ter known as coolies, also had a field-day, taking their cut from the hapless travellers.

Incidentally, American dictionaries would usually tell us that the word *coolie* goes back to Hindu *Kuli* day labourer and stands for unskilled Oriental labourers. The English dictionaries permit the word to be spelt as either *coolie* or *cooly*, adding that it is derived from the Hindi *guli* — denoting Indian or Chinese hired labourer. Be that as it may, festivals opens up new possibilities for our coolies to make the travelling public pay more for the services rendered.

Pickpockets also take their pick during festivals to line their own pockets. Railway stations, bus and launch, steamer terminals, are their particularly favourite haunts during festival times. The through of travellers usually provide easy pick for the members of the light-fingered fraternity. Then there are the bag-snatchers. All these denizens of the underworld make something extra during the festivals. In the aftermath of Eid festivals, newspapers usually come out with vivid accounts of people getting cleaned out of all the money in pockets and travellers being relieved of their baggage.

It wouldn't do to forget the rickshaws and baby taxis either. People are in more of a hurry during times of festivals to move to and from train, bus

and launch terminals. They would also go out more on shopping sprees or for meeting friends and relatives. All these comings and goings offer new prospects for the rickshaws and baby taxis to rake up more money. Official statistics suggest that there were some 79,000 licensed rickshaws in Dhaka city in 1991. There were more than 10,000 baby taxis and *mishuks* taken to-

hard. Let him earn a little more during festivals.

The sacrificial animal takes a pivotal place in Eid-ul-Azha festival. For many families, the act of sacrifice claims the biggest chunk of the outlay on the festival. Transactions leading up to the sacrifice have economic ramifications too.

For the convenience of city dwellers, the municipal authorities would set up tempo-

rary fatten the animals, feeding them the choicest of fodders. So would stand on the market-place, the handsome young bull with a flowing skin, the hump standing out on its back and a garland around its neck. In the days past, the proud villager standing by, would have had fed the animal only natural fodder. These days, it is said, he also mixes with the fodder — urea, the fertilizer stuff.

On the market-place, the rich vie with each other to buy the best, the most handsome animal, bidding the price up. Purists tend to frown upon such rivalry over a sacrificial animal as ostentatious. They consider the behaviour an antithesis of humility. The conduct of the rich on such occasions, they would say, impairs the spirit of sacrifice. All the same, the competition brings a higher return to the farmer.

The rich can afford to pay more and the marginal value of money to the farmer is decidedly higher. So the contenders for the best animal also do a good turn to the farmer. Besides, the farmer has to cope with all sorts of toll collectors, including the nearly ubiquitous *chandabaz* — all of whom take extra turns during a festival — meaning, big market place for cattle and goat? Traditionally, villagers have reared cattle and goat for sale at a premium as sacrificial animals.

Some people donate the hides and skins of sacrificial animals to orphanages and religious institutions who, in their turn, sell these to build

up funds. In fact, quite a few of these institutions issue appeals in advance of the festival, soliciting hides and skins of sacrificial animals. The festival thus offers an opportunity to these institutions to augment their resources.

Thus we come to a leading export sector in the economy — the leather industry — which banks to a large extent on the supply of hides and skins of sacrificial animals as a primary source of raw materials. Reports appeared in some newspapers recently suggesting that the target for export of leather may not be met this year due to inadequate availability of hides and skins. The festival, with its promise of a significant expansion in supplies of an essential raw material, is an important event for the leather industry and by extension, for the economy as a whole.

Religion and piety demand distribution of sacrificial animals' meat among the poor. Our part-time maid, who also works for a couple of other families in the neighbourhood, booked her share of the meat with all her employers, weeks in advance. "This is how my children can have meat at least once a year," she says. Looking at the throng outside, begging for meat, you suddenly realise that not all of them are beggars. Many of them are just ordinary people, poor of course. They have taken to begging on this festival day — just for the sake of a few pieces of meat.

Thus it is, the economics of festival. Some gain, some lose. However, losers also enjoy the festival. May be the loss they have suffered would cloud the celebration fleetingly. Yet, they would not miss it at any cost.

**ALONG MY WAY**  
**S B Chaudhuri**

## Poverty Alleviation: Handloom Sector, 'Grameen Check' and Support

by Shahabuddin Mahtab

**T**HE declared policy of the government is poverty alleviation and social justice, but on the other end. There remains its inability to save our handloom industry from its present plight. Thanks to The Daily Star for making bare to the nation (reports on the plight of handloom operators, dateline Sirajganj, Parts I — III, 30th and 31st March and 1st April '94).

This sector was considered so important that the Bangladesh Handloom Board (BHB) was set up for the purpose of developing and strengthening the handloom sector. During the great floods of 1987 and 1988, a very large number of handlooms were damaged and this added further woes to the plight of the operators. BHB should have come in, in a big way, to help the operators. That the Board failed to do so, is now quite obvious. It has also been alleged that the BHB which is

supposed to provide the weavers financial, technical and social justice, is doing nothing in the area. In the absence of marketing facilities, the weavers are unable to get a fair price for their products.

Over the years, in the absence of an infrastructure for workers and could contribute significantly to the GNP did not take place. The handloom sector with adequate support from the government has the capacity and financial viability of meeting most of our clothing needs. It is further reported that the BHB is aware of the problems and has apprised the Ministry of Textiles regarding its difficulties, but so far nothing appears to have been done. The governments is unable or unwilling to give its support to the weavers. The Services and Facilities Centre of the BHB which was set up in 1991 at a cost Tk 5 crore is yet to take off.

The Grameen Bank started a handloom projects in 1992

in a small way. It brought some 1876 handloom units, and proved that given adequate support it could supply quality products, which can adequately feed our garments industry. Due to the specific design requirements, both at home and abroad, 150 handlooms are now operational. It is further reported, that Grameen has 84 designs of which 16 designs are now being utilised.

The Grameen Bank has so far exported eight lac yards of cloth to USA and Russia. This would appear to be a negligible amount, but it clearly shows that given the infrastructure and marketing facilities, it has immense possibility. The 'Grameen Check' is in a position to compete with the 'Madras Check'. The Grameen is now covering a very small part of the Sirajganj district. As a 'pilot project' it has been

highly successful and can be replicated elsewhere with adequate support and commitment. However, a word of caution here: The best of projects fail, if there is no commitment of the people working with it.

All the industrialised countries, and the newly industrialised countries of the world, did start with the textiles, with one difference, that we are 'now' entering a 'highly competitive' market. We have to go in for high quality fabrics at competitive production costs, and the government has to play a decisive role here. Free market does not mean that all doors are wide open.

Qualitative and selective control of the imports will always be necessary for our survival and employment. We have to perceive that the handloom industry can give us large scale employment in the rural and semi-rural areas, which no other sector can. It presently

gives employment to lacs of people directly or indirectly.

The government has to play a positive role for backward and forward linkages. All materials like yarn, chemicals, dyes etc may be imported without any import duty burden etc.

The government may give financial and technological support to the weavers. It has also to ensure full marketing support to them. At present, the middlemen are taking a large share of a weaver's income, which has to be stopped. The Grameen was able to pay the weavers Tk 12 for each yard of cloth, compared to Tk 6 to Tk 8 given by the middlemen.

Poverty alleviation has to mean, certain job opportunities for individuals and families, and not handouts which robs a person of his dignity and also ability. Before we go in for other sectors, the handloom sector may receive in first priority. The phenomenal economic success of Japan is

greatly due to the harmonious relations between the government, management and labour. The Ministry of International Trade and Industry of Japan plays an important role in boosting the country's exports. Likewise our government has to play a positive role, for our survival in a highly competitive world.

With adequate backing from the government, specifically its ministries and departments concerned, and the financial institutions as well, the hitherto suffering handloom sector can gear it up to play the most desired role to boost the economy. The "Grameen Check" has already started to override the "Madras Check" in the arena; let it cross others in the international track to reach the top in the same run. And this seems will high possible given an all-out support at home. Then the achievement from this single sector will simply be tremendous for the whole economy volumewise.

## The Daily Star Public Debate: What do Our Readers Think?

### Let's Go by the Established Convention

by Jalaluddin Iqbal

**T**HE polemic between the government and the opposition over the question of holding the next election under a caretaker government has resulted in a situation where both the sides have taken an obstinate stance with a growing sense of distrust among themselves.

In the last general election we voted the present representatives to do their job for the country in the parliament for five years. The next general election under a caretaker government, as demanded by the Opposition, was never agreed upon before by any of the political parties. This provision was only thought of during the period when no elected government was in power after the mass upsurge forced the then autocratic regime out of the office. The election was held under a caretaker government and was conducted by an independent Election Commission. The election was acceptably free

and fair. The subsequent by-elections conducted by the same election commission were also appreciated as more or less free and fair as there was little post election furore over the results barring the Magura by-election which drew allegations of rigging from the opposition.

The questions that intrigue me most are why the opposition did not seek any legal remedy through the election tribunal and why did it fail to argue strongly in favour of its allegations inside the parliament. Rather the opposition contemplated some unconventional means such as staying out of the House for a pretty long period only to embarrass the government and to degrade the democratic system.

To me it appears as a kind of political blackmail by the Opposition. It is from inside the parliament that they have to build up a case for holding the election under a caretaker

government. After a futile attempt by the opposition last year to bring a no confidence motion against the Government, it has perhaps chosen this unconstitutional approach to unseat an elected government before the next general election to be held in 1996.

Actually, the demand implies that whoever is entrusted with the sacred task of serving the nation for five years through the people's verdict could no longer be trusted with country's affairs during its last three months, as it is conceived that the party in power would harbour ill intention to stay on.

So, naturally the question arises, should we in a true democratic sense vote such representatives for 4 years and 9 months who cannot be trusted with the job of holding election for us? This obviously reflects lack of confidence in our democratic system and election commission by some

political parties who do not wish to see the system thrive.

The concept as generally assumed in favour of a caretaker government is that the election commission would not be influenced by any partisan attitude of the party in power during the poll. But we all know that there is no such provision for a caretaker government in our Constitution and in democracy an elected government is allowed to remain in power until the next election is held, and eventually the majority takes over from the minority in a constitutional manner. So a strong and an independent election commission are sufficient to ensure free and fair poll. This could be achieved only if once again the opposition and the government are united in the same spirit as that of the movement in 1990. There should be a consensus over strict adherence to a mutually agreed code of conduct during the next general election. I believe this is what is being followed in all other democratic countries.

Therefore, the prime need is to devise a constitutionally compatible method to prevent any unscrupulous behaviour in the election, and this can be

attained by empowering the election commission with more authority as that of a caretaker government, that is by enhancing its executive power over the administration during election period so that no government official and political party in power could exert any undue advantage over the election commission.

Introduction of identity cards for the voters, provision for strict penalty for the offenders who resort to illegal means to influence the voters and other effective measures by an independent election commission are sufficient to ensure free and fair poll. This could be achieved only if once again the opposition and the government are united in the same spirit as that of the movement in 1990. There should be a consensus over strict adherence to a mutually agreed code of conduct during the next general election. I believe this is what is being followed in all other democratic countries.

We should try to follow the

conventional approach in sustaining democracy and our politicians must repose a strong faith in our present electoral system. Any unconventional approach to democracy like forming a caretaker government before every election would only expose the weakness in achieving a credible electoral system. So, the opposition should not prolong the present impasse and should sit with the government in a positive frame of mind to work out a concrete formula for a powerful and independent election commission which is vital to the growth of democracy and not the provision for a caretaker government reflective of mistrust among the political parties.

I wish to thank The Daily Star for treating us to the debate on caretaker government and we look forward to seeing more debates on other burning national issues.

### Letters on the Debate

#### No clash in the basic objective

Sir, Going through the various points raised by both the ruling BNP and the opposition AL, in the public debate on whether the next general elections should be held under a caretaker government or not I find that the aims and objectives of both the two groups are basically the same, which are to hold free and fair general elections in the country.

With that common aim and goal in view I suggest as follows:

i) The Election Commission may prepare a corrected and up-to-date voters' list every three years;

ii) The Election Commission may issue laminated identity cards to all voters;