

## The Malodorous Megalopolis

When this bulging megalopolis of perhaps 8-million-plus souls elected a bright and loveable, fair and determined-to-serve soul as its mayor, we echoed all of these millions' first expectation of him. We said, please rid us of the mosquito menace. We did not notice at the time that there could be things more intolerable than that dangerous pest. At long last one of those that make city-life equal to serving penal sentences in a pit worse than the hell of the scriptures, has found expression in a Daily Star report published on Wednesday. It makes a cowboy western quick-draw and shoots from the waist on your nose — stench, stench, stench.

Uncollected garbage does that job capably. The problem with Dhaka's ubiquitous garbage heaps is that these contain for the most part things of biological origin — victuals mainly and animal and fish prunings and viscera — rather than inorganic metals and plastics. Rotting starts within hours of throwing the filth and signals of that invade the olfactory nerves of all in the vicinity.

The Daily Star report correctly talks of regular, almost institutionalised garbage dumps at certain city points like Syedabad, Kamalapur, Mugdipara, Gopibagh etc. and the inconceivably evil effect they work on the very densely living populace of these areas. Most of such dumps are planned land fill-ins, most notorious among which was the Syedabad one, earning some unenviably bad name from travellers from home and abroad alike to Mainamati-Comilla, Chittagong-Mahmuni, Rangamati and Cox's Bazar — the very best in tourist attraction we can offer. Now it is the turn of the Kamalapur garbage-yard to push lakhs to an unending spell of nausea — to outside the pale of civilisation and may be even humanity.

Land fill-ins are an essential part of urban land development. And using domestic garbage as the biggest component of that may be very convenient and economic to the city corporation. But what about the people for whose benefit this and all other development work are undertaken? Has the corporation of the government ever seriously probed the possibilities of land development minus the stench. It is high time they did.

Dhaka stinks, literally, specially in its more populous parts. One Hazaribagh tannery area is enough to smother a quarter of Dhaka with its special and strong aromatic emanations. We are not talking of that. There are miniature garbage dumps by the hundred strewn all over the city — and that gives Dhaka its special body-odour, foul and fetid. Neither are there proper places close at hand for the household garbage to be thrown in and nor are the citizens very particular about taking the trouble of seeing that the garbage is placed well into the bin — if there is any. And on most streets and most mahallas there are very little arrangement of any kind to drop garbage, not to speak of covered bins.

Then finally comes the question of collecting the garbage. We know the number of sweepers and cleaners of the DCC hasn't kept pace both with the city's galloping population and its snow-balling size. Perhaps Mohammad Hanif will need to double the number of these people as also substantially increase the garbage moving vehicle-power.

About the mosquito he has put forward a very satisfactory plan — so promising that we are pleased much before the mosquitoes have beaten a visible retreat. The mayor now must meet this stench and garbage challenge as earnestly as we are sure he is addressing the mosquito one. A stinking city cannot be a civilised city. Pray he does not forget this throughout his tenure.

## Musico-Math Therapy

Ripeness is all, so said Shakespeare. The great English poet and dramatist was very generous in praising the advanced age and found beauty in its mellowness. But despite the poet's cajoling, hardly anyone will prefer old age to youth. After all, with the advanced age the process of decay begins. Loss of memory is one of the most troubling symptoms in the process. Such a weakening of the mental faculty makes one unsure of oneself. Until now the loss of confidence in oneself has been thought irreversible.

Now an American professor with a Slavic name, Tom Budzynski has come up with a message for the old people that not everything is lost for them. The loss of memory associated with aging, claims the professor, is possible to stem. His recipe is rather simple. Music, math and goggles are the tools needed to arrest the process of memory failure. Early results of tests carried on rats and a few elderly people are quite encouraging. We have no reasons to disbelieve the researcher and his team doing this marvellous job for people who suffer from loneliness and consider them a burden on families and society. But it is difficult to understand what mathematics and music did the professor invent for the rodents. Nor do we know about the teetly animal's fondness for these higher subjects thought to be the exclusive preserve of the human species. What we however know is that the rats have a special liking for mattress, pillow and even books. The latter not for acquiring knowledge but for trying their sharp teeth on.

As for their love for music, the less said the better. When the scientist can still carry test with the entertaining and educating subjects on the much more inferior creatures, the humans with their developed tests are sure to give a much better account of themselves. Surely, the old people are expected to have a new lease of memory — one that can immensely benefit the world. If the old people can readily call back events and incidents of the past in sharp details, each of them is expected to become a chronicler, a living history book. We would rather suggest that each one of the old people then try his hand at their own memoirs.

The professor's is a simple theory. He would like us to believe that mental and sensory stimuli are what matter. If the job one performs is stimulating and one has a higher level of education, the cognitive abilities are likely to hold up much longer with the aging. In short, his prescription is for the exercise of brain. This cannot be written off. But people with no taste for music and no aptitude for mathematics are sure to prove out of luck with the professor. But this is none of the professor's fault. The fault lies with those people lacking in two of the essential qualities.

Daily Star (DS): What can we do to reduce the trade gap that currently exists between our two countries?

Dr. Manmohan Singh (MS): Let me start by saying that both our countries are now in the process of liberalising our economies and reducing trade barriers. These steps, I believe, are good for India, and good for Bangladesh. Both our countries have followed for too long a strategy of excessive inward looking, which divorced us from the realities of the international world. Now that we are shifting our emphasis, it will help both our countries.

To respond to the specific question of reducing the trade gap, let me start by saying that we, in the process of liberalising, will open up enormous possibilities for Bangladeshi entrepreneurs to export their products to India. Indeed, as Bangladesh is next door to us, both our exports will have a transport advantage as far as each others' markets are concerned. India today imports large quantities of fertilizer from Bangladesh, and there are no duties on this item. So you can export more fertilizer to us. I would say that there is a vast Indian market open to you on this score. It is the same case with newsprint.

Recently an Indian business delegation was here and they have given us certain recommendations. We are looking into them. But I feel Bangladesh first must look at the problem of trade imbalance in a dynamic setting.

DS: What do you mean by a 'dynamic setting'?

MS: For example if transit routes were normalised, if Chittagong port could become an entry-port for Tripura and other north eastern states of India, if our goods could have access through Bangladesh, rather than going through the round about route, then Bangladesh could earn sizeable amounts in transit fees. I think it is no use seeking one-to-one correction of the trade imbalance. We must look at the big picture of how to expand our areas of co-operation. I would like to add that with the trade surplus that we have with Bangladesh, we would like to use it for joint venture investment in Bangladesh. Let me put it categorically that we in India are quite willing to look into every aspect of how we can expand economic co-operation with Bangladesh.

DS: You are aware that the trade bodies of our two countries, especially the leading Chambers of India and Bangladesh, have met and I understand some recommendations are now before your ministry for tariff reduction in the specific area of consumer products. What are your views on that?

MS: First of all, last year Jamdani saris were exempt from tariff, and there are no quotas on that. Then we made similar provisions for a special variety of fish (Hilsa) that we import from here. In fact the quota on this is not being fulfilled. The list that the Chamber suggested to us, is now under consideration in our Commerce Ministry.

But I feel that we now have this regional mechanism of SAARC. Why not use it more? We have set up the mechanism of SAPTA. If we use this, I think it will set into motion a dynamic process of trade liberalisation and economic expansion. That would be the ideal route. But we are quite willing and open to any other means of co-operation.

DS: Is it your view that Bangladesh is not pushing SAPTA as much it should?

MS: No, I am not saying that. I would like to see SAPTA move faster, and its usefulness should be looked in the context of the just concluded Uruguay Round. In the context of GATT, how could the countries of South Asia evolve new patterns of co-operation? We are in a continuously changing world. It is a fact of life.

I feel we need a lot more intensive co-operation, not only in trade, joint ventures but other activities as well, which are mutually satisfactory and, more importantly, which are equitable.

DS: You as the Finance Minister have revolutionised economic policy formulation in the region. India's reforms have really been radical. How about some new thinking on Bangladesh-India economic co-operation?

MS: Well I do not know enough about Bangladesh to suggest new thinking, but in some ways, we in India, can learn from you. I admire some of the things you have done here. In some ways Bangladesh is ahead of India. We have not yet been able to introduce a Value Added Tax system. Bangladesh already has a VAT system.

The current worldwide trend is beneficial for all our countries. The vision that I have is that the destinies of our two countries, for that matter, the destinies of all countries of SAARC, are closely inter-linked. If we have an

# "I have Learnt a Lot from Bangladesh"

— Manmohan Singh

There are few finance ministers in the world who have had comparable impact on the economic policies of their own countries, as Dr Manmohan Singh has had on India's. Almost single-handedly, and in the face of tremendous resistance from the established power blocs and scepticism from the traditionally leftist Indian intellectuals, Dr Singh carried out his economic reforms which have released the latent productive potentials of the Indian people, which for decades have been hindered by restrictive policies. Not only that Dr Singh has introduced radical economic reforms in his country, he also appears to have carried the most diverse groups of politicians and regional political parties with him.

There is no question that it was Dr Singh's personality that helped him win supporters from all quarters. An extremely gentle, soft-spoken and self-effacing man, Dr Singh considers himself a "cog in the political machinery", who is just doing his job to the best of his ability. He attributes his success, not to his own ideas, but to the global experience of the time.

During his first ever visit to Bangladesh, The Daily Star was privileged to speak to him, in-depth, about the Indian economic reforms, trade gap between Bangladesh and India, the future of SAARC and SAPTA and also about the water problems between our two countries. Dr Singh candidly shared his views, and his vision about the countries of our region whose destinies, he says, are intricately interlinked. "Unless we want to be marginalised, South Asia must increase its co-operation" in line with the rest of the world.

The interview, which amounts to a lesson in economics and national development through liberalisation and free market, was conducted by the Star editor Mahfuz Anam, assisted by chief reporter M Anwarul Haq.

open trading relationship between Bangladesh and India, the economic development of northeastern India will, I think, take a new shape. In the same way, it will create a lot more opportunities for efficient production units to be set up in Bangladesh with an eye on the Indian market. For example I bring goods all the way from Bombay to, let us say, Manipur or Agartala. If trade is normalised then it might be easier to set up some production units here, for the regional markets.

The real challenge, in my view is to think big about the future of our economic relations. I think now that the SAARC is a growing entity, we must give concrete shape to some of these ideas.

DS: Would you like to identify some of the problems that you see really hampering the expansion of Bangladesh-India relations?

MS: First of all I think that both of our countries' industries need to increase their efficiencies. We cannot go on asking the rest of the world, saying we are inefficient, we need protection, we need help. That era, frankly speaking, is gone. I think the end of the cold war makes it incumbent for us to stand on our own feet to the maximum extent possible. We must become efficient, that is one thing. The second thing is that through continuous exchange of our two countries' business communities, we must identify new areas of complementarities where there is scope for joint ventures, in Bangladesh, and in India. To say that the governments know which are the winning industries, which are the losing industries, quite frankly, is not correct. Governments are not good at picking the winners. There should be much closer contacts between the business communities so that they can identify where co-operation can be most effective.

DS: There is no denying the reality that Indian industries are far ahead of ours, and in an open environment, your industries will have an edge over ours. Therefore, for the interim period, till our industries become strong — can we think of some special arrangements for trade between our two countries?

MS: We can consider such steps in the context of SAARC. SAPTA could be used to consider such measures. Whatever steps can be devised, we in India, are quite open to consider them.

DS: There are some specific areas of tariff, in which our consumer goods have a higher duty in India, compared to Indian goods facing tariff in Bangladesh. Instead of having special arrangements, our goods are not getting the same advantage as Indian goods are getting in Bangladesh market. This is known to the Indian chamber delegation that came. You may be aware of this anomaly yourself. Is there any possibility of normalising this situation?

MS: In two years time this problem will disappear. We are going to bring down the general level of Indian tariff. This is only a transitional problem. We can, I think discuss with Bangladesh, this problem. These anomalies create ample scope for smuggling. It is in our common interest to curb such anomalies. All this should disappear in two years.

DS: So we have to wait two years to arrive at a level playing field?

MS: I think there will be greater harmonisation between our tariff structure in two years time.

DS: The tariff reduction you speak about, is it in terms of SAPTA?

MS: No, I was referring to our general plan of tariff reduction in India. We have already brought down tariff very substantially. In two years time we will complete our process of tariff reduction.

DS: Coming back to trade, are you linking the question of transit to that of trade? Is one the precondition for other?

MS: In our context, we cannot talk of preconditions. I am not saying that at all. If you have normal transit routes, you will find that Bangladesh's balance of trade with India will increase dramatically. If our trade regimes become liberal,

the same objectives. Our attempts are rather a dismal failure. What Prof. Yunus told me, opened my eyes, as to what can be an effective strategy to reach the rural poor in terms of credit programmes. I learnt from him that subsidised credit beyond a certain point is counter productive. He told me that if you do not run these credit institutions on business lines, if you don't insist on cost recovery, these activities soon degenerate into handouts, which are then taken over by those who are influential.

So these exchanges, covering diverse areas of poverty alleviation are themselves a pro-

your views, and did you discuss this in your conference?

MS: We did not have time to discuss all this. The problem of poverty in South Asia is essentially the problem of rural poverty. The pattern of industrialization that we have followed in our region — I know the case of India — had a bias towards excessive capital intensity. In the process it turned the terms of trade against agriculture. This was so because industry was protected, and as you know, protection of one sector is taxation of another. If you protect industry too much, you are likely to tax agriculture, because by far the majority of our consumers live in the rural areas. There is no doubt that the excessive protection of industry, which was characteristic of industrialisation process in South Asia, amounted to positive discrimination against agriculture.

However, now we are reducing this protection. This will have two impact. First of all it will increase the employment intensity of the development process. In the old licensing system there was an in built incentive towards capital intensity even when it was clear that one will not use that much of capital. But all that is changing. Secondly I believe that with the reduction of protection for industry, the terms of trade will gradually turn in favour of agriculture, and over a period of time the rural-urban gap will reduce.

DS: Just reducing protection for industry, is it enough to remove this long standing discrimination against agriculture?

MS: No. It is not enough. We have to use positive anti-poverty strategies. Like the five fingers in our hand, we have to recognise that our growth capabilities are unevenly distributed. We need the growth of the strong to raise revenue for the State, which we can then plough back for anti-poverty programmes. We must empower the lowest level of our population to help themselves. This cannot be done through handouts, doles or subsidies. We have to raise the capabilities of the poor through mass education, better health care and by raising their productive capacities through skills training. Plus an overall economic environment in which employment opportunities will increase.

DS: Coming back to your revolutionary reforms in India. Some people feel that it is not going fast enough. What do you say to that criticism?

MS: Politics, as you know, is the art of the possible. If you are operating a reform programme within the framework of democracy then you will have to move at a pace in which these reforms will be accepted. By and large, our reforms proceeded along the lines that I had anticipated. One disappointment I had was that the fiscal deficit did not reduce as sharply as I had anticipated. There were slippages last year. We have set in motion some corrective measures. The rest of the programme, tax reform, financial sector reform, trade policy reform, tariff structure reform are moving broadly along the line that we had envisaged.

However, we have some major problem areas ahead of us. For example the restructuring of the public sector. Then there is the question of reducing the rigidities in the labour market. We have not been able to tackle that. We have deliberately gone slow because in our countries — like in Bangladesh — getting one job in a life time is a problem. So we cannot talk glibly about throwing people into unemployment or retrenchment. So our first concern was to create an economy where employment opportuni-

ties were increasing fast enough. Also we created social safety nets so that if people lose one job they can find another quickly. Also that they can be retrained and re-employed. These are our unfinished areas of reform. We need to do a lot more on reducing fiscal deficits, making public sector more dynamic, tackle the problems of labour rigidities and finally use this enhanced fiscal maneuverability to devote more of our financial and administrative resources to tackle problems of poverty.

To spend more resources on primary education, primary health care, on environment etc. That is the ultimate goal.

Financial reforms are not an end in itself. They are a means to getting government out of business, out of those areas where the government is not very efficient and which others can do better. Simultaneously to get the government more intensely involved in areas where the market forces cannot do the allotted job.

DS: In a command economy or in type that we have, the bureaucracy is enormously powerful and it resists reforms that erode its power. So how did you get the co-operation of the Indian bureaucracy to implement your reforms, which essentially cuts its power?

MS: In all system there is such a thing called the 'force of inertia'. We are used to doing things in a certain way, and we feel comfortable with it, and as human beings there is always some resistance to change. Also there are vested interests in the old system, which benefitted some people.

In a scarcity regime, those who have access to scarce goods can get exaggerated rents from those goods. And it is not the bureaucracy alone that has vested interest in not changing. Even businessmen and industrialists who benefitted from scarcity regimes will not want the system to change.

But ultimately it is the function of the political leadership. In our case the political leadership is quite clear and firm about the changes.

Ultimately things do change, I am not saying that we are changing fast enough. In some states things are not as good as they ought to be. But I think we are winning the battle.

There is today, a broad consensus, that the command type of economy did not produce good results either in terms of growth or in terms of social equity. Sometimes public enterprises work for a few years. But experience shows that they do not remain efficient over a long time. When a new country is born, there is lot of enthusiasm and idealism, and these make public enterprises run properly for a while. Over time these do not work. I think it is now clear that the Anglo-Saxon theory that the State is the ultimate protector of public interest has limitations. There are interest groups within a society, and one that captures power can manipulate state power to their interest.

DS: You mentioned about the consensus on reforms. How were you able to get that consensus. You have so many diverse political parties, and you also have state versus central government conflict. So how did the consensus come about?

MS: In all matters, nothing succeeds like success. As you know that "success has hundred fathers, and failure has none." When we started there were a lot of scepticism.

Almost all groups had our critics. It was said that we were being doctrinaire, we were guided by international financial bodies, and that we will lead the country to disaster.

Dire predictions were made that we will create a lot of unemployment, that inflation will rise, balance of payment will deteriorate. When we set the exchange rate free, people said that Rupee will become 50 to a dollar. But nothing like that happened. This won over the critics to our side and helped build the consensus.

The fact that the economy has improved year by year, much more than I had anticipated convinced people that we were on the right path. We were in such a bad shape when I took charge that I said that we should not expect any positive result in the next three years. But I think we have been luckier than I had expected.

Within the first six months of reform we were able to restore a measure of international confidence in our economy. Since then our economy has picked up, our exports have boomed. The prediction that liberalisation will lead to flooding of our markets by foreign goods, proved to be totally false. In spite of sharp reduction in tariff, and massive removal of import controls, our trade balance has never been as good, our current account balance has never been as good. Our reserves which were about US dollars 1 billion when we took office, now stands at US dollars 16 billion.

