Founder-Editor: Late S. M. Ali

Dhaka, Saturday, September 24, 1994

## **But We Must Hope**

One day last week the chief executive of the Dhaka University and leaders of the various student organisations operating in the DU campus decided in a joint meeting 'to take action against terrorists, irrespective of their party affiliation' No such action has been reported in the four days following the decision. Neither has any untoward incident occurred during this spell. Going by past record it is perfectly in order to feel that the promised action was highly unlikely to materialise if even warranted with all the urgency in the world. But this well-founded scepticism should not stand in the way of our genuine gratification over the decision. Hopes may not always congeal into desired fruits but nothing accrues when hope itself is absent. We are truly hopeful of every positive-looking decision taken by the concerned parties but we would rather not be led by false signals.

In endorsing a nine-point resolution designed to, if implemented, end violence in the campus, the student organisations bound themselves to refusing sanctuary to all terrorists and helping the authorities to apprehend them. For anyone identified to have indulged in terrorist activity, his organisation would be held responsible. Action would be taken, the organisations agreed against any student party found supporting terrorists. All of the nine points are too good to be truly acceded to by parties up until now up to the neck in a race for the number one spot in armed mastani. Without questioning the bonafide of the intentions of those that became a party to the September 17 joint meeting decision, we would like first to weigh the chances of these and then see how to enhance these chances.

Do the leaders present in the meeting have effective control over their armed cadres. An answer in the affirmative would clearly implicate them as abettors in terrorism. But the truth may be nearer to the position that they have a very loose control which takes hold largely depending on the pleasure and convenience of the armed goons. And can the leaders prevail in their loyalty to the resolution should contrary instructions come from any higher-up? Very evidently no. All such misgivings and many other unanswered questions boil down to saying that the student parties, by themselves, stand very slim chances to eliminate violence from the campuses, simply because they haven't the power to force the course. Who has the Vice-Chancellor got round to renounce violence and act for its elimination - are they the right people for that? Well, the VC has done whatever was possible at his level. Goading national leadership falls patently outside his pale. And let us be frank, this the decision, simply is not enough for the job.

But, thank you all Mr VC and the leaders who helped, this has been a big step forward. This may not stop one single shot of the automatics but tremendous moral ground has been gained which is sure to inhibit adventurist gun-toting done without the command of the hierarchy reaching to the apex of political leadership. And the whole gamut of any hierarchical control should now be much more amenable to the moral proddings of the September 17 decision.

That is not to say reports of gunfire would not rend the campus peace any moment any day - it very well can, thanks to taut-wire tension that holds the equation of the student parties. Who said the political leaderships are in effective control of the armed mastans? And whoever thought that leaderships at that level are wedded to ahimsa or are on the way to a conversion to that? If they were, there wouldn't be the cold war forged at a far higher level of responsibility.

All said and done, this has been good work. We wait for the first action to follow from the decision in the wake of this or that party turning in their own terrorist — singly or in droves.

# A Statue for a Musician

Princess Margaret, sister of Queen Elizabeth, unveiled on Wednesday London's first statue of Wolfgang Amadeus Mozart, the musical genius. The statue is situated near the house where the great composer wrote his first two symphonies. At the age of 8. Yes, eight. Even among the worldbeating prodigies, Mozart was something very special. Something that cannot be explained. And unlike the majority of impossible prodigies, Mozart kept up the early-life showing, producing both in kind and quality as also in sheer quantity - peerless music. Starting so early did he burn out at not many years past 30? Far from it, he was at the height of creativity when he died under mysterious circumstances. Britain now becomes one among many nations to get at the true value of honouring the great composer-conductor-performer, who was not British by any stretch of

imagination. Here in Bangladesh it is very difficult to celebrate any of mankind's greats through erecting a statue of him or her. This is a difference that makes this city stand out from the other great cities of man with a dubious distinction. Not that we do not have sculptors of the world class or somewhere nearabout. But perhaps some zealots have effectively taught our sculptors not to venture into the open, by a series of attacks and ac-

tual removal of more than one statue.

In the subcontinent many are the big cities that sport statues of national heroes or international unbeatables in the arts and sciences and other facets of human achievement. But there are hardly any musician or painter, — artist, that is who have been revered into stone or bronze in a public place. Historically the subcontinent had only artisans and no artists — that is how we used to look down upon the people who excelled in artistic creation. This is something we thought we have certainly come past. But have we?

It is not for subcontinental ears to gauge the greatness of Mozart's creations, although there is one from this region recognised over many years as the master of masters in the understanding and production of high western music. Our ears are becoming attuned to the western airs and special kind of cacophony. The newfangled infatuation of the young and moneyed urban men and women for high-decibel beat music is not going to help us greatly in appreciating Mozart.

volvement in the production of T. perhaps, needs no consumer and producer goods mention that Bangladesh is alleged to have helped only is one of the poorest to crowd private investment countries of the world with a out. Further, state's preoccupaper capita annual income of tion with production and disroughly US \$220 and a literacy rate of around 35%. The share tribution of goods and services. at the neglect of the developof her investment, savings and ment of productive forces in trade to GDP stand pitifully low the economy, tended to proat 13 percent, 6 percent and duce rent-seekers and cause 9 percent, respectively. About half of the population in inefficiency and low productivity to pervade economic Bangladesh is reported to spheres. Whatever little reside below the poverty line amount of accountability and and majority of the households transparency could be exdo not have access to pure pected even from a typical sodrinking water and a sanitary ciety like ours, it is being alliving condition. The socioleged, was "hijaqked" by the political under development is autocratic rulers that presided evidenced by the fact that the over the fate of the nation for Human Development Index compares very unfavorably two decades or so. even when compared with neighbouring poor countries.

#### **Good Start, Bad Pause**

The present government after assuming power, embarked on (be it self propelled or driven by others) structural adjustment and reforms with a view to putting the economy on an even keel. The "whys" of adjustment and reforms in an economy like ours could, perhaps, never be questioned given the wastage of scarce resources precipitated by the mismanagement in the economy. But quite obviously, the "hows" of reforms still continue to be (and perhaps should be so) the bones of contention. The need for reforms and adjustments follow from the following questions Why should the users pay the "inefficiency premium" for a public sector that cannot account for more than half of its own output? Why should the local poor weavers be forced to buy the home made expensive yarn that robs him of his opportunity to avail the cheaper

# Bangladesh Economy: Fixing up the Fixes by Abdul Bayes

ones from outside? Likewise why should a farmer be deprived of the cheapest power pumps from outside? What economic rationale leads a government to produce cosmetics, sugar and clothes at the neglect of education. health and law and order situation for which private initiatives are hard to come by? Why should an importer be edged over an exporter through a deliberate manipulation of the tariff regime and exchange rate? Why should an investor. of inside or outside, be a prey to the barrage of regulations and bureaucratic whims? Why should a household of Patuakhali pay Tk. 9 per year to subsidize train services — a service that is unseen in that

if job creation, growth of domestic industries social equity considerations etc. are behind all of these then it remains to be seen whether the same could be achieved, for the same amount of invest ment, by taking other courses. In other words, in a resource poor economy, the cost effectiveness of producing output. creating jobs and ensuring equity should be the prime concerns of economists.

supposedly the ones often suggested in the current economic literature and the ones so widely espoused by the present regime viz. liberalization. de-regulation, privatization etc.

The alternative courses are

The government seemed to have jumped to initiating these in right earnest and succeeded, at least, in initiating these in right earnest and suc-

ceeded, at least, in attaining the macro-stability. Given these positive developments to fuel a higher growth rate, the economy seems still locked to

a vicious circle of low invest ment - low growth trap exac erbated by the non-response from the micro level. The most pertinent question is: why should there be no expected growth and investment (and hence a dent to poverty syndrome) of an appreciable order given that necessary conditions appear to exist?

#### Misplaced Logic

The anti-adjustment and reform lobby would quickly pick up the thread to blame all the reforms as the sole cause of the effect and, perhaps, that is also the feeling currently capturing even some of the policy makers' mind. It could be sensed from the gradual erosion in enthusiasm about reforms since the ruling party's debacle in the Mayoral elections. As we are always known as apt in transferring the responsibility to others' shoulders, this time too, the escape goat seemed to be the reforms and only reforms. But what is missing in this juxtaposition is the mere fact that Bangladesh economy never had a relatively better situation even before adjustment and reforms. The only difference perhaps, is that we can now expect to make the wheels move whereas in the past the hope was a forlorn one. Second, whatever happened in the name of adjustment and reforms was far from satisfaction. A volley of measures still hang around to be undertaken

Bangladesh is yet to fix up its mind on this issue and therefore is yet to be a free marke-

#### Political cause

Cookson, perhaps, under mined the importance of the political unrest factor. To us. its is one of the few important factors hindering the economic growth and investment

After all, a siege of the capital city either by the politicians or by the police, could hardly be a good news for investors of home and abroad. The present political stalemate seems to rock the economic boat. Yet very little efforts seem to have been thrown to remove the unpasse. From the very beginning of its carnation, the government seemed unable to weigh the load of this factor in the overall development of the country. Accountable, transparent and honest governance appear to be still a far cry and the government made very little effort in addressing these vexing issues. The Parliamentary Standing Committees are unbecomingly headed by the ministers themselves. The separation of judiciary from the executive is yet to effect. the disposal of the inefficient public sector enterprises and the presence of an investment friendly financial sector are vet to take place and the defaulters are yet to be slashed. All of these actions need good governance that would opt for a fruitful dialogue with the opposition on these vital scores. A reform in the traditional attitude of governance thus stands no less important than the economic reforms themselves.

# Growth Triangles may Shape Asia's Economic Future

OR Asia, growth triangles may turn out to be the right concept, in the right place, at the right

More often than not, the

country experienced bitter

bills of autocracy rather than

better doses of democracy. All

these odds, perhaps, sprang

from a very high population

growth rate, underdeveloped

human resources and an

unfortunate lack of statesman-

ship from its leaders. A feeble

growth rate of the economy

averaging 4 percent per

annum during the last two

decades or so, and growing

poverty and undernourishment

rather point to a bleaker

economy was on board with

inward looking trade and in-

dustrial policies where the

public sector was assigned the

pivotal role furthering the

cause of growth and develop-

ment. The economic environ-

ment appeared hostile to the

growth of private sector that

hardly had any breathing

space. The state's growing in-

Since independence, the

future.

Swiftly becoming a catchphrase, growth triangles, which means transnational economic zones covering parts of three or more countries dedicated to increasing exports and foreign investment, seem to be an effective way of countering trade juggernauts like GATT (General Agreement on Tariffs and Trade), NAFTA (North American Free Trade Agreement), and the EU (European Union, formerly known as the European Community or EC).

A growth triangle may be for Asia, which has been trying unsuccessfully to set up a trade bloc, only a temporary arrangement, a short-term measure just to fill the gap until a permanent, broader trade

coalition is in place. But Dr Min Tang, an economist with the Manilabased Asian Development Bank (ADB), appears to think that a growth triangle can be both an interim and permanent fixture

in the region. He said, pending establishment of some form of Asian regional cooperative body, "Asia needs a short-term, concrete, action-oriented approach" and he believes growth triangles fit the bill.

At the same time, the economist predicts that the arrangements will endure beyond the formation of any Asian bloc or other grouping and remain an integral part at least of East Asia's trade drive. The concept could also be developed — and maintained — in South Asia.

Asia's efforts so far to establish a broader trade bloc have

bogged down because of wranglings among prospective members such as those hampering sporadic attempts to lay the foundations for the ASEAN Free Trade Agreement (AFTA). ASEAN stands for Association of Southeast Asian Nations which is made up of Brunei. Indonésia, Malaysia, Philipp-

ines, Singapore and Thailand. As Asians continue to debate whether or not to form a bloc, several subregional dynamos have emerged in the meantime to fill the void. These are:

 The Southern China Growth Triangle of Hong Kong. Taiwan and parts of southern China (mainly Guangdong and Fujian provinces).

- The Northern ASEAN Growth Triangle of southern Thailand, Malaysia's northern states and Indonesia's Sumatra. - The embryonic East ASEAN Growth Triangle of the Philippines' Mindanao island.

Indonesia's North Sulawesi. and Malaysia's Sandakan area. The Johore-Singapore-Riau triangle of Singapore. Malaysia's southern Johore

state, and Indonesia's Batam - The Tumen River Area Development Programme of North Korea, Russia's Siberia and parts of China's Jilin

province. The Yellow Sea Economic Zone of the western and northern parts of Japan's Kyushu island and Yamaguchi province, and a portion of the Bohai coast in China is also sometimes referred to as a

growth triangle. For some years now, East Asia has been the world leader in economic growth, maintain-Ing high export levels and improving both its productive capacity and labour productivity.

#### Rex Burn writes from Manila

Growth triangles can be more easily and quickly established, at less cost, than trading blocs

But the looming "big blocs" have spurred Asia's developing countries and newly industrialized countries (NICs) to take action to maintain exports and capital inflows.

Growth triangles offered quick relief - they can be more easily and quickly established, at less cost, than trading blocs. They involve only parts of countries, which could mean less economic and political risk. If they work, their benefits can be extended to other parts of member countries, as in southern China. On the other hand, should they fail, adverse effects can largely be restricted to the areas originally designated.

A country active in more than one growth triangle, with different neighbours, can use the groupings as sounding boards to test the ease and effectiveness of cooperation with different neighbours; Indonesia, Malaysia and China are all involved in several growth

triangles. Also, limited intra-Asian markets make the region particularly appropriate for export-oriented growth triangles trying to reach consumers throughout the world. To them, markets within the region are relatively unimportant. Trade blocs, in contrast, are largely geared to supplying their own members' markets.

Export processing zones (EPZs) for foreign firms are cousins of growth triangles. While they also boost export earnings and local employment, they are located in only one country. Growth triangles are more competitive due to the greater available resources of several member countries. and to economies of scale.

With regard to sharing the costs and benefits of growth triangles, the most fundamental breakdown is that cash-rich member countries hope for a high return rate on their exported căpital, as do outside foreign investors, while those supplying labour and land hope for high earnings on products Dissatisfaction regarding

cost-and-benefit sharing may occur within a country when there has been huge public spending on infrastructure in the area joined to the triangle. Thus, it is important that benefits from the merger are spread to other areas of any member country so that, as much as possible, regional inequities are neither created nor heightened. Other potential problems

which triangle members have to watch out for include unwanted inflows of job-seekers and newly-built squatter shantytowns. There is also the danger of damage to the local natural resources, on which the local people's livelihood may depend.

Moreover, while not all residents of a growth triangle will share in its benefits by becoming employed or by providing services, everyone is likely to pay more for goods and services. For instance, landlords may attempt to exploit the situation by hiking rents.

Local governments, which have enjoyed virtual autonomy

may try to drag their feet in protest against central government involvement.

to turn the table 'around' us.

But unfortunately the "go slow"

attitude of the government is

making things worse and the

half-hearted reforms are

breeding half-baked results.

Third, the government tends

to fail to diagnose the reasons

for low investment. For a long

time, labour unrest was

espoused as the sole arbiter of

hindering the process of in-

dustrialization — discouraging

local and foreign investments.

Then came the blame on polit-

ical unrest. These two con-

straints probably helped the

government to sit aside since

only opposition could be

'blamed' on this count. But alas!

Cookson, an advisor of the

World Bank-financed financial

sector reform programme and

resident of the American-

Bangladesh Economic Forum.

seemed to treat labour prob-

lem as a "myth" and not a

"reality". So is the case with

political unrest. According to

him, the main hurdle for for-

eign investment in Bangladesh

is the lack of infrastructural fa-

cilities, especially electricity!

It is perhaps very difficult to

fix up the energy sector

through local investment but

given government's earnest

will and swiftness, investors

from Canada, Britain and US

would like to be in. Fourth, it

is perhaps, not fair to mix up

loan defaulters with private

Bangladesh. In a country where

the legal system is out-moded

and weak, defaulters would

escape through many channels.

The basic premise upon which

the edifice of capitalism is

built is, perhaps, the existence

of a sound legal system that as-

sures private property rights

sector development

Several factors are important for a growth triangles to work. First is economic complementarity with members having different levels of development and resources, including capital.

The idea is that three members will be more than three times as strong together when they pool their resources to achieve common goals.

Also important are geographical proximity, provision of adequate infrastructure, and government's commitment to a coordinated policy.

These factors may be responsible for the apparent success of the private sector led Southern China Growth Triangle, where investment and exports have soared. But ADB's Dr Tang is more cautious: "South China has seen rapid economic growth, but it's difficult to say to what extent this is due, to the Southern China Growth Triangle, as there are other factors involved, such as the Chinese government's economic reforms.

Despite Dr Tang's reservations, the experience of Batam Island in the Johore-Singapore-Riau triangle, which increased its exports tenfold between 1986 and 1991 from US\$20.9 million to US\$210 million, seem to also indicate that such a merger can indeed be positive.

The East ASEAN Growth Triangle involving the Philippines. Indonesia and Malaysia is still in the planning stage, so does not have much to show. But it holds out hope for the Philippines in particular whose economy has long lagged behind those of its neighbours.

Some concerns have been raised, however, about growth triangles which involve the inflow to Asia's less-developed nations of foreign investment capital, from within and outside Asia. With foreign investors in growth triangles enjoying several privileges and relative freedom from government constraints, the question is asked: is there any danger here of neocolonialism or of corporatism?

Dr Tang replies with an emphatic "No." he adds: "Of course, governments must successfully regulate growth triangles, but the recent experience of East Asian growth shows that such concerns are unfounded. Instead, what we have seen are the benefits of

economic growth." Only a major interruption to the continuing flow of direct foreign investment to Asia could seriously threaten the future of growth triangles. Given the region's low labour costs and other advantages, this seems to be a highly unlikely

scenario. Reduced demand for Asian goods in the West due to future government policies would also present a challenge, but this seems to be a remote pos-

sibility. What appears to be quite clear at the moment is that growth triangles offer member countries not only increased exports and investment, but also important developmental, socio-economic and political

benefits. "A growth triangle is more than a trading bloc," pointed out Dr Tang. By helping sustain East Asia's economic boom. growth triangles may have secured their place in the region's future.

Depthnews Asia

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.

## 'Renegade rickshaw'

Sir, The photograph published in your newspaper on 12th September, 1994 under the caption 'Renegade rickshaw appeared to me as a very significant one. The upturned rickshaw symbolised our poor economy pinned down by the enthusiastic hartal activists. They are gleefully taking apart its nuts and bolts. A helpless passerby witnessing the demolition process like the helpless people of this unfortunate country.

My thanks to the photogra-

Jahan Chowdhury Mirer Moydan, Sylhet

#### 'Development of Agriculture ..." Sir. I was very disappointed

while going through the article Development of Agriculture through Biotechnology in Asia' in The Daily Star of 8.8.94. The author M Gul Hossain

PhD has reviewed Biotech-

nology programmes of some

Asian countries including

Bangladesh. While even some

backward countries like Nepal and Vietnam have achieved notable successes, not to speak of Sri Lanka, Thailand, Indonesia, India and China where biotechnology in agriculture is being backed by the full force of official and private efforts. Bangladesh is lagging far behind. Words like "stumbled", "come to a standstill", "grossly handicapped", "technological black hole," "further dependence" have been used in reference to Bangladesh.

The writer was very critical of the Mushroom Culture Centre at Savar which "had made a good start but was now standing still". This is true. Mushrooms which provide cheap fat-free protein and many vital trace elements to the human diet could have greatly helped in providing a balanced diet to our masses but like in other official ventures the sponsors are quite satisfied to keep their activities at a level which precludes that mushrooms will ever become an item of food for the masses. Maybe they are con-

tent to keep it as a low pro-

duction, high profit commod-

ity, available only in fancy

restaurants/homes of the elite. Fortunately a local private company which also markets a popular mango drink has started production of both paddy straw and oyster mushrooms. These fresh mushrooms are available in Dhaka. Mushrooms are delicious, handy to cook and are and should be cheaper than meat. chicken and most varietie's of

Sikander Ahmed Adabor, Dhaka

### Hartals

Sir. As a reader of your esteemed daily, my thanks are due to Mr Abdul Bayes for his valuable article on 'hartai' published on the 17th instant. He has elaborately discussed about the hartal card, costs and benefits of hartals, talk of wastage and alternative wayout.

We like to remind both our opposition and Govt. leaders that this session is not the final play for either of the parties. Next time the opposition may come to power and then face the similar situation before completion of 'their' term. So, both the parties should bear patience for the future. The ruling party should offer opportunity to the opposition in the house and outside. The debate and dialogue should be within the house, because our people pay for parliament and

not for outside.

The people of the country are no longer deaf and dumb. they will judge and vote in the next election. So, we urge both the parties to please sit in the house and discuss everything and do not create a disaster which will not benefit any of them and a third party may then occupy the house, as happened in many other countries.

M Ali Ghoramara, Rajshahi.

Sir: It is staggering to know from a recent news item in your esteemed paper that the country's external debt burden is 14 billion US dollars! Now. even if I assume an optimistic GDP growth rate of 6.5 per cent, still the external debt is expected to be bigger than the

GDP by the year 2000.

Now, if the hartals and strikes continue to be regular programmes of the opposition then surely the country's GDP will decline significantly. In such circumstances if GDP comes down to say, 1 to 2% per cent, then how the country will survive and how staggering will be the debt burden on the shoulders of each one of the citizens of the country! Can the strike and hartal callers lessen our debt burden, for a better future, when they may themselves go to power?

According to a recent classification by World Bank "Bangladesh is on the verge of being severely indebted country." Will the opposition parties give preference to the country's interest?

GMF Abdur Rob Dhanmandi, R/A, Dhaka.

#### Police officer

Sir. The character of a po-

lice officer in a current BTV serial "Itikotha" has attracted ' the attention of many viewers. Although there are a lot of funny and humourous dialogues and actions with the character. still the police officer carries the impression of an ideal and real people-friendly police personnel. Can't our police personnel in reality turn themselves to be more friendly to the people instead of func tioning as mere law enforcers?

M Zahidul Haque Asstt Prof. BAI. Dhaka

#### A diplomatic triumph for Clinton?

Sir. People all over the world stood against at the impending USA attack on Haiti. If it had become a reality then it would have been like a fight between a mammoth elephant and a rabbit, or a heavy weight boxing championship between Mohammad Ali and a kindergarten infant

Then came the news that following the marathon talks between former US President Carter and Haiti's military ruler Raoul Cedras invasion of Haiti has been averted, Cedras agreed to step down, the US troops landed on Haiti and US sanction against Haiti was consequently withdrawn. We have all heaved a sigh of relief. Is it a diplomatic triumph for US President Bill Clinton, we

We still somehow fail to understand the aims and objectives of the US interference in the domestic matter of Haiti.

asked ourselves.

A French critic has rightly said, "It is an invasion that almost nobody wants for a purpose that not even President Bill Clinton can convincingly explain"

We may accept the US interference in the internal affairs of Haiti as a great diplomatic victory for the US President Bill Clinton provided he also helps restore democ racy in Algeria, Nigeria, Burma, withdraw economic sanction against Iraq, solve problems like Kashmir and Bosnia and succeeds in equitable distribution of the Ganges river water between India and Bangladesh and many other international disputes like these.

We wish President Bill Clinton all success. O H Kabir

Dhaka-1203.