

Get the Fly-overs Ready

Needless to say, fly-overs are important for Dhaka City. That some of these have not already been laid across is regrettable, to say the least.

The costs are not prohibitive and the Roads and Highways Directorate has the engineering skill to do the job.

There is one of that suspected corruption premium stigmatising the give-away act of the previous regime which had allowed the per metre construction cost of Tk 8.50 lakh which, in the present case, has been whittled down to Tk 6.51 lakh.

It surprises us a great deal though need we have to wait until 1998 for this modest addition — of only two fly-overs — to our cityscape.

Why would these few miles of construction work take 3-4 years to complete, when other cities in the neighbourhood, particularly New Delhi, had done it in a few months' time, albeit under pressure of the ASIAD?

Keep Up the Courageous Act

In an exceptional action, rarely matched in the history of administration in this country, Power Development Board has dismissed and sent into forced retirement 24 officers and 57 employees.

Those having any knowledge of the inner working of PDB will call this action as a supremely courageous one. The systems loss of PDB that is the difference between the price of power distributed and the money actually received from the sale is no systems loss at all.

This corrupt practice of a very long standing has been pushing price of power in this poor country to world beating levels. And foreign donors supporting the numerous power projects of our nation have long been unwilling to fund corruption instead of development.

The PDB action is a definite signal that the authority has at last been able to cut loose of the vicious circle. Can they keep it up? In the nation's interest — very vital it is — they must.

Chimera Chasing

Parthasarathy of Coimbatore, the South Indian industrial city, has been at it assiduously and for long. Once he devoured 36 raw eggs at a single go. That was nuts compared to his journey in the company of a cageful of poisonous snakes.

The latest in the line of his somewhat absurd and grotesque attempt at fame is weird even by his own standard. He has only recently chomped down his gullet a bush full of roses — with roots, stalks or all of 4-foot high plants — in palpably a record time of one and a half hours.

But, as with every other act accomplished, Parthasarathy knew this too will fail to fetch him what he had longed for all his life. So he has already decided on his next world beating act of eating 625 chillies in one gulping session.

O hope, what a hope! To come out in print on the Guinness Book of Records. The famous collection of out-of-the-usual facts about man and his doings apparently has become notorious for goading quite sane young people into the mild insanity of doing whatever to earn a space on the book.

Export Scenario: Fictitious Figures, Conspicuous Conclusions

by Abdul Bayes

Have our export earnings been on the wane, as seemingly depicted by some of the statistics generated by a government agency? A deeper look into the trend indicates something quite different.

THE alleged decline in Bangladesh's export earnings during the first quarter of so of the current fiscal year (1994-95) recently hit the headlines of many newspapers.

depicted by some of the statistics generated by some of our agencies? Perhaps not. To begin with, let's remember that there are three principal sources of export trade figures for Bangladesh. These are: Export Promotion Bureau (EPB), the Bangladesh Bank (BB) and the Customs or NBR.

But never can the realized figures of BB stand higher than that of the EPB figures simply because we cannot earn more than we sell!

The Crux

And here lies the crux of the matter. The EPB's shipment figures pointed to a dip but it can be gleaned from the BB source, on realized export receipts, that the actual export earnings of Bangladesh during the first quarter of the current fiscal year (1994/95) actually went up by a margin, possibly, of about 20-25 per cent when compared with the corresponding figures of the last financial year (1993/94).

The EPB figure should, perhaps, be a suspect in this case for a number of reasons. First, BB as compared to some other organizations dealing with external trade figures seems relatively more

(although not sufficiently) endowed with qualified technical manpower needed for a reliable compilation of those figures. Second, BB's system of recording cannot allow any room for under-reporting. Third, given that there was hardly any spurt in foreign inflows of capital (especially foreign aid) during the reference period, how could the FOREX reserves go up with a fall in export earnings? Possibly a fall in import volume would have done that but available evidence again do not seem to buy that kind of argument.

smuggling and thus upsetting the input-output coefficient, such an analogy would bring no credence to the episode.

The Fix

The fix, therefore, lay elsewhere. EPB is heard to should be making serious efforts at looking for the villain of the piece. And in that search, we assume that a recalculation of the statistics of Bangladesh's exports for the same period might tell a different story.

It may so happen that EPB was fed with incorrect data set by its parent source of information i.e. the Customs. Few lapses may be cited in support of this. First, many of the shipments might have escaped the eyes of the recorder to cause the total amount to dwindle to some extent.

Second, many of the 'lots' might have not entered the ledger book for unknown reasons and third, record keeping in the Customs perhaps could not rise up to the standard. By and large, then, it seems likely to come out that Bangladesh's export earnings during the first quarter of the current financial year did in fact went up by a 'comfortable' margin which should have contributed to a higher growth rates of exports.

The reasons stated can hardly console us because when a few percentage points of increase in foreign exchange earnings can soothe all of us, the disconcerting performance can do just the opposite. We would expect that in future such mistakes (for the moment we like to dub it as inadvertence) do not happen. Whether such corrections could make a dent to the export-GDP ratio is another question altogether.

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Financial Discipline: Control Measures in Banking Sector

by Kazi Borhan Uddin

Advances in most cases have been utilised for personal luxury and other business instead of the purpose for which these were extended. Large number of industries/projects have become sick due to lack of efficient management and technical know-how.

ALL the commercial banks have been suffering from a serious setback in capital adequacy. Long years of unscrupulous banking, particularly during the eighties has resulted in this capital shortfall.

Some of the important reasons are as follows: i) Lack of loan risk analysis skill; ii) Lack of adequate follow-up and monitoring; iii) Political consideration; iv) Dishonesty of the bank officials and v) Absence of accountability.

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pediment to the economic growth as recycling of investment could not be effected due to poor recovery and diversion of fund for reasons already stated above.

Interestingly enough, in spite of bewildering amount of classification of advances, some banks, specially the nationalised commercial banks are suffering from liquidity surplus. The Finance Minister time and again called upon the bankers to invest their funds who have surplus liquidity.

The banks also do not appear to be encouraged to enlarge their volume of credit probably due to the following reasons: i) Overburden of already classified and stuck-up advances; ii) Injudicious attitude of the government towards the bank officials for lending which turned ultimately bad and iii) Scarcity of good entrepreneurs.

ing certain rules of BCD circular No 34 of 1989 which will be implemented in five phases starting from 31 12 94 and ending on 31 12 98 to raise classification standard to the international levels in terms of the said circular rules of classification and provisioning have been made more and more rigid in every phase reducing the overdue length of classification and increasing the rate of provisioning.

Inclusion of land and building will help the banks in reducing the amount of provision requirement but it will also give rise to some problems as the bankers will have the tendency to inflate the value of the land and building to avail higher amount of benefit from the same as eligible security.

curry.

Moreover, it is bitterly experienced by the bankers that document and security alone cannot ensure recovery of loan. Legal action is a means to recover the bank's dues by disposal of the properties through decree of the court. But till this time, disposal of suits filed by the banks is utterly miserable as existing legal framework is very weak.

Bangladesh Bank introduced a number of control mechanisms to ensure good recovery of Loans and Advances to recoup the capital shortfall which are: i) Lending Risk Analysis designed under FSRP; ii) Establishment of Credit Information Bureau; iii) Review of recovery position of classified and stuck-up advances which includes top ten

defaulter borrowers of every bank and iv) Strengthening of reporting system through off-site and on-site supervision statement etc.

Sufficient knowledge of a banker to analyse the lending risk is a precondition to good lending. To impart sufficient knowledge about the risk involved in lending, different banks have undertaken extensive training programme on "Lending Risk Analysis" designed under FSRP. But are we sure that all the fact-based balance sheets and other information will be provided by the entrepreneurs on which lending risk will be analysed and all the bankers will honestly analyse the lending risk? The answer is obviously known to many of us.

As a matter of fact anarchy reigns in every sphere of our life due to absence of rule of law, so happens in the banking sector also. Therefore, all the measures adopted by Bangladesh Bank to bring about financial discipline in the banking sector will fall flat if rule of law cannot be established. Recapitalisation programme of World Bank will heal the wounds only for a brief span of time.

To the Editor...

Gender equality and family planning

Sir, I was present in a meeting of a women's voluntary service organization where the members in charge of different service groups were giving their monthly activities report. A member in charge of family planning group, appraised the 26 female clients were given family planning aid meaning operations for ligation and other methods, and one male client received vasectomy operation. Everybody clapped.

for our children is becoming a big problem; trees and open spaces are gradually vanishing from the urban and adjacent areas giving way to high-rise buildings; environment is being polluted in every possible way, stranded for hours in a car amid a traffic jam we curse ourselves for coming out of the house and I think after some years the children would curse the parents for bringing them out into this world.

This year the International Conference on Population and Development in Cairo achieved worldwide publicity through media and the Conference was notable for the Programme of Action it announced. Advancing gender equality and equity ensuring women's ability to control their own fertility, elimination of all kinds of violence against women and women's development were some of the highlights.

As God has given women the power and responsibility to give birth to children keeping them in their wombs — the responsibility of controlling the birth should be taken by men mainly. That would be equal sharing of responsibility towards effective family planning. It should be appropriate to motivate men for this purpose and planning should be done accordingly to spare the women folk only from much

inconvenience. And the move should come from men as we all know that for the development and survival of a society, nature and the world men's role in action-planning are bigger than women's. In the whole world women's representation in parliament (highest body for policy-making institutions) as in 1993, were 10.01 per cent. In 100 countries there are no women members in Parliament. But everybody is trying to overcome the gender gap.

Efforts to identify and eliminate discrimination towards women are being made. The women of the world are preparing for the Fourth World Conference on Women in Beijing next year. Time has come for all of us to think and adopt a plan which is concrete and constructive. We, men and women, are to look ahead to the next century together in partnership in every way to keep this world habitable.

Munira Khan Dhaka

'Man of the Year'

Sir, With this I would like to congratulate the 'Star' very, very heartily for choosing Mohammad Yunus as 'Man of the Year'. You could not have made a better choice as he is the symbol of a bright future for Bangladesh — if only more people like him put their trust and faith into the poor, and the poor women at that; they, honest and hard working, are the ones who keep this country going and, instead of being often overlooked by the better off, are the reason why a Bangladeshi can be proud of his/her country.

And by the way: Would he not be a very good choice to head an NCG, if it ever comes to that? H Lechner Dharrhondi, Dhaka.

OPINION

Agrarian Reforms

Shamsul Huda

Bangladesh is basically an agrarian economy. Contribution of this sector to the GDP is about 40 per cent. Seventy-five per cent of our total work force are employed in agriculture and its allied activities. Eighty per cent of our population live in the rural areas and are mostly dependent on agricultural production.

Without drastic economic reforms specially in the agriculture sector the rural economy cannot be properly dynamised. Until and unless appropriate agrarian reforms are implemented, the ever-growing unemployed work force cannot find their employment either in agro-based industries, expanding commercial and trading activities and new industrial ventures or anywhere else.

Ours is a very small country area-wise but quite a large one population-wise. Per capita agricultural land in our country is only 0.20 decimal. Because of scarcity of land, it is considered most valuable asset by our people. But it is quite often found that land is not used properly, rather abuse, misuse and unplanned use of land both in private and public sector is frequent and random.

To educate and awake the people about these matters, the national media like TV, Radio and the newspapers have a vital role to play. But unfortunately, the national media seem to be very much unconcerned about these issues. Of course, our national press has a very bright tradition of taking a lead in pioneering many such

issues in the past. So they should come forward to make the nation fully aware and highlight the basic issues concerning agrarian reforms as an urgent question for the overall development of our country.

It is very much encouraging to note that general enthusiasm and eagerness for knowledge and information about development activities has been growing in the recent years. This should also be noted that the private development agencies (NGOs) and Grameen Bank have covered more than 38 thousand villages with their development programmes. The landless and rural poor who formed their own associations (samities) under mobilisation programmes of different grassroots development organisations have now become a large potential force for development. About seven million rural people are now organised in their samities. Forty per cent of these samity members are rural women. Most of these groups of rural men and women are already engaged in many different development activities. They have their group savings which are used by themselves for their own income generation projects. The total aggregated group savings of the rural poor now amounting to several thousand crores taka have been revolving to regenerate the rural economic activities. These groups are facing many different social, political and legal constraints.

Your esteemed daily has been highlighting the development constraints and matters related to rural masses with great enthusiasm and care. We very much appreciate the positive role played by this newspaper. We sincerely hope you would take a pioneering initiative in focusing the aforesaid issues to your readership and making the nation properly aware and activating the

policy-makers to take necessary actions. For this purpose, may I request you to offer necessary space, at least one full page every week in your esteemed daily. This page may be titled as: "Land, Agriculture and Environment."

If such space is available, our renowned specialists in different fields related to agriculture, the economists, researchers, agronomists, officials in service and those retired development activists, journalists, professionals, lawyers, peasant leaders, political stalwarts, peoples' representatives, planners and policy-makers will be able to contribute articles, papers, field reports, features etc with a view to ventilating thought-provoking views on different aspects of agriculture and land management.

Specially, administrative reforms of land management, land laws reforms, land survey and record system, productivity of land, sustainable use of land, use of appropriate technologies in agriculture, bad effects of chemical fertilizer and pesticides, river erosion, seeds preservation, surface water resource management, use of underground water resource, irrigation facilities at micro and macro level, redistribution of govt land, fisheries, poultry, cattle raising, environment etc could take place. Information sharing, exchange of experience and dissemination of appropriate knowledge between and among the public is possible through this process in the best interest and higher benefits of the grassroots masses, specially farmers, small and medium-size land holders and the vast number of land-poor and landless. This process is also necessary and effective to involve the largest numbers of our working hands in the development activities planned or going on in the rural areas at private and government initiatives.