Founder-Editor: Late S. M. Ali

Dhaka, Wednesday, January 25, 1995

Work in Harmony

President Abdur Rahman Biswas while addressing the half-empty inaugural sitting of the winter session of the Jatiya Sangsad on Monday-made three points of topica! significance. He called upon the opposition political parties and the government to sit across the table and reach a consensus over a political impasse that threatens now to acquire a constitutional angularity. His next point regarding Parliament being the centre for resolving all problems is suggestive of a hope: Having made the fresh dialogue and thrashed out their remaining differences, both sides could then give a tangible shape to their understanding on the floor of the House. It is the President's third point which comprehensively transmits a feel of the nation's pulse: "The success of the parliamentary democracy lies in the concerted efforts of the ruling party and the opposition."

The sitting of the parliament may have raised question-marks in the opposition circles owing to the unresolved status on their resignations as well not serving a long enough notice for the winter session. But the other way of looking at it would be the maintenance of constitutional continuity and the availability of the parliament session with its attendant lobby facilities just in case the outlets are needed to finalise an accord.

At any rate, the Speaker needs the right forum to give his ruling on the resignation en masse of the opposition members of Parliament. This is an unprecedented event in the history of parliamentary democracies; more so in our country which .has had only a couple of genuine parliaments to boast of.

The exigency of the present political situation demands that we make whatever use we can of the present parliament with only a year or so to go of its normal tenure; even though the trackrecord of its utilisation for the most part makes a very poor reading.

The Speaker is likely to deliver his ruling on the opposition members' resignations during the current session of Parliament amidst a High Court restraint order on the subject for a stipulated period.

Just as the Jatiya Sangsad is supreme in the field of legislation, the judiciary is the final interpreter and arbiter in matters of the Constitution. There need not be any confusion over their respective jurisdictions nor any clash between the two because that will only make the current political situation dip into a constitutional crisis. This we need avoiding with utmost discretion. We keep faith with Speaker Shaikh Razzak Ali's statement that all the organs of the government should have respect for each other and work in harmony.

We are in Full Sympathy

We are in full sympathy with the Oppositionstaged demonstrations demanding the autonomy of the electronic media. We feel certain as well that this will strike a responsive chord with the citizenry as a whole. That the ruling party has failed to honour the agreement reached on the subject among the three alliances just before the fall of Ershadian autocracy is hardly a rhetorical allegation by the Opposition; it is a sordid reality for the TV viewers and the radio listeners. The Bangladesh Nationalist Party (BNP) government is blame-worthy for reducing the Radio and BTV into a mouthpiece status reminiscent of the autocratic days. The virtually unchanged pattern of things makes a sad commentary on media management.

Many people regard the government's monopoly treatment of the state-owned radio and television as self-defeating because the government is losing on goodwill and credibility. Reverting to the practice of the previous regime cannot buy friends for the ruling party. The overwhelming exposure of government functionaries at the cost of nearly a total black-out of Opposition news is counter-productive in terms of creating a congenial atmosphere for a minimal cooperation between the ruling party and the Opposition without which democracy cannot function.

Instead of controlling the media so blatantly, it is wiser to open these up for diverse and differing views and opinions. When the TV failed to carry the news of the Opposition's mass resignation from the Jatiya Sangsad, its credibility with viewers hit a new low. A rational distribution of time and space in the electronic media between the ruling party and the Opposition is not perhaps too much to expect. It is precisely for the benefit of both party politics and democracy that the electronic media should be freed from any bias especially when it is funded by the tax-payers.

Orange Potential

According to a report carried in a Bangla daily. Moulvibazar boasts the ideal type of soil for the growth of oranges. This good piece of news is however marred by the other information: Lack of plan and proper management stands in the way of realising the full potential of the fruit.

This is however nothing new in our part of the world. We have already banished from our land quite a number of crops and fruits with tremendous values, both from economic and nutritional points of view. The local oranges could easily beat the imported varieties because of the former's superior quality.

It is not only that the orange orchards have vanished from a wide area of the greater Sylhet district, those that are there remain in a deplorable state. Shortage of soil nutrition and fertilizer has been responsible for poor quality of the produces. In parts of Moulvibazar the number of the orange trees is estimated between two and a half lakhs and three lakhs. If each tree gives a yield of 1,000 oranges on average, we have a harvest of 30 crore. Roughly two and a half oranges for each person for a whole season.

The reality however is even worse. The production is much less. Ideally though an orange, tree is capable of giving between 500 and 3,000 oranges. Given a serious try we can produce the fruit in a quantity that will not only meet our domestic need but leave a surplus for export.

Reflections on Export Promotion

priority to trade promotion activities by our missions abroad is indeed an appropthese statistics it should be riate step, albeit a belated one obvious that we have miserably In today's post cold-war global failed at the supply side. This context, countries like ours overwhelming dependence on must primarily strive for an extremely limited number economic diplomacy as the of goods, manufactures or agritraditional type of diplomacy cultural presents the greatest has lost much of its relevance. hurdle today for export expan-This crucial shift in the sion. The pre-ponderance of emphasis of diplomacy should garments and knitwears as exnecessarily entail a review of port items, the phenomenal the effectiveness of our growth of which in the late missions abroad. From media 1980s and early 1990s proreports, it appears that the duced euphoria for a section of the business community and government has set up a body to undertake such a review. It also for the government should is assumed that following the now cause the greatest conreview those missions found to cern following the successful serve our interest best would conclusion of multilateral trade not only be retained but also (Uruguay Round) negotiations. strengthened in terms of manpower and logistic support

HE government's recent

decision to give highest

to enable them effectively to

carry on with economic

exists today a fractious ar-

rangement of several min-

istries and agencies concerned

with industrial production and

trade promotion activities.

There is, if at all, a very loose

nexus among these ministries

and agencies for evolving

common strategies and under-

taking integrated initiatives for

export oriented investment.

This arrangement is in sharp

contrast with what, the four

Tigers in the Eastern Asia and

the emerging Tigers viz

Malaysia and Thailand in the

South East Asia have. There

exist in all these countries a

single ministry responsible for

formulation as well as execu-

tion of well-knit export-ori

ented investment policies and

rowed by them from Japan

international Trade and

Industry (MITI) achieved phe-

nomenal success in the post-

war economic rehabilitation

Needless to mention, how in

our political and bureaucratic

environment, proliferation of

authority can stymic efforts

towards achievement of any

organising government institu-

tions as discussed above, the

following specific issues also

warrant our urgent considera-

Today. Bangladesh exports

about 100 goods, but 95 per

cent of our export earnings are

derived from 7 items while the

rest 93 fetch the balance earn-

ing of five per cent. From

A has been going on

ringing across much of the

country's length and breadth

over the past decades. The

intelligentsia has been so

it rather advantageous to

chime the note ritualistically

instead of wasting its collective

talents on agriculture. Every

year at the time of preparation

of the national budget, indus-

tradisation is given more and

more importance. But at the

end of each fiscal year, the

moud of the policy makers

gets soured by the disappoint-

ing results of the sector.

Clearly we want to join the

bandwagen of the nations

boasting amazing success in

industrialisation. But we are

reluctant to create the

averse to the means of produc-

tion - be it through setting up

factories and industries or ex-

tensive farming. In a land-

scarce . country like

Bangladesh, the former ought

to have been a better proposi-

tion and also more practicable.

But the reality so far belies the

pious intention. The lop-sided

stress notwithstanding, indus-

tries, except a rare few, are

making concerns. Ours is an

overwhelmingly agrarian econ-

omy, with farm produces ac-

counting for about 65-70 per

cent of the total share.

Surprisingly, however, agricul-

tural policy is gradually getting

and the agricultural policy

seem to have been tailor-made

to serve certain purposes.

Both the industrial policy

inimical to the sector.

proving non-viable or loss-

No sensible man can be

condition for that.

worked up that the class finds

en - rather a war cry

for industrialisation

Diversification of exports:

Apart from the need for re-

common objective.

The idea was perhaps bor-

Ministry

programmes.

One will notice that there

diplomacy.

Possibilities for production of more finished leather and leather goods, handicrafts of all types, woollen carpets, silk and silk, products, processed sea food etc. remain very strong.

True that some of the NGOs

by Nazem A Choudhury

by establishing labour incentive industries and using imported wool have carved out niches for themselves in the lucrative world market for high value hand-made carpets. Given our rich tradition of handloom textiles especially of Jamdani Sarees, there is no reason why we can not do the same However, for first new years we shall have to get a few master weavers and technicians from our neighbouring countries to train up our people,

Need for improvement of

design: Many of our non-traditional export goods especially handicrafts based on home grown design and crude technology tend to be unattractive for the discerning western consumers. There should therefore be more serious attempts at introducing designs having greater appeal to the

raise local value addition of garments by 50 per cent. Local value addition of leather can also be raised significantly if we export finished leather only and not crust as is mostly done now. This should be attainable with a modest incremental investment that can enhance value of each square foot of leather we export by one third Manufacture of leather goods would certainly fetch us even higher earnings. These two measures relating to garments and leather in my understanding, can help fetch additional 2 billion dollars a year for the

Price competitiveness: The most critical element in export promotion is price competitiveness of goods. Under no circumstances, our exporters or government planners should overlook its imthe fillip needed by our exporters to venture into unexplored markets. Being a sort of unattractive responsibility for the Shadaran Bima Corporation. its implementation has been far from satisfactory. Till now, it has extended coverage mainly for garment exports to the established markets which is hardly justified. We should realise that today there is a need for more effective use of the scheme for export to the CIS and former socialist countries of the Central and Eastern Europe. We therefore need to learn from the experiences of countries which have utilised this scheme most profitably in introducing reforms -in the existing institutional arrangements and procedures.

Lack of professional cadre: Barring a few professionals in EPB and TCB, we do not yet have a cadre of properly

cause of prevalence of hyperinflation resulting in abnormally high interest rates and also partly due to their antiquated banking system. The situation has been further exacerbated by emergence of a myriad of inexperienced traders out to make instant money. For example, in Poland there is a growing demand for tea. rice, finished leather. sports shoes and textiles including garments. Importers. however, find it almost impossible to establish letter of credit for which they are required to put up more than 110 per cent of L/C value by paying interest at the rate of 33 per cent for 4/5 months. Confronted with these impediments, exporters from Turkey, South Korea, Thailand China. Indonesia. India and Vietnam have overcome these by warehousing their products in Poland for sale against local payment or by exporting on CAD or deferred payment ba-It would follow from the

of credit. This is mainly be-

above that there are a host of issues to address within our domestic sphere. By undertaking both bold and visionary measures we should be able to expand as well as augment production for export without which our missions can hardly execute any meaningful economic diplomacy especially in trade promotion which is now the avowed policy of the gov-

Finally, as a nation we must recognise the fact that in past two decades we have missed opportunities that were seized by others in our region. Because of their physical distance from us, we can perhaps disregard what the Eastern or the South-East Asian countries did for achieving near economic miracles. But can we afford to watch idly when our big neighbour India makes gigantic strides towards economic success? Despite her political problems, our other neighbour Myanmar is not lagging behind as she fast prepares ground for luring massive foreign investment. Let us realise before it gets too late that time is of the essence and that any further slipshod approach to adoption of an integrated export-led growth strategy will certainly leave us mired in perpetual poverty and the attendant human indignity. Remember,

time and tide wait for node. The author is Bangladesh

There exists today a fractious arrangement of several ministries and agencies concerned with industrial production and trade promotion activities. There is, if at all, a very loose nexus among these ministries and agencies for evolving common strategies and undertaking integrated initiatives for export oriented

are quite active now in silk production. But no effort has yet been made for organised commercial production of cocoons or for drying and reeling processes in order to manufacture quality yarn and fabrics. If major business houses like Duncan Bros and BTC could be motivated to engage contract growers for producing cocoons to be processed at facilities the firms would establish. Bangladesh can turn into a mafor silk producer.

investment.

We have today a large area in the coastal belt dedicated for shrimp cultivation. Barring, however, a very few pioneers, these shrimp cultivators have generally failed in adopting appropriate technology semi-intensive method in this case, for raising production from a paltry 100 kg or so per acre to an easy 2000kg in a year. Even pineapple and banana have great potential. if we could only learn the technology from the exporting countries of Asia, Africa and South America. Unfortunately, we are yet to undertake any pragmatic programmes for

Asian countries from Turkey to China including Pakistan, India, Nepal and Bhutan in the sub-continent,

foreign consumers, if necessary by adapting others' suecessful designs in a manner not to invite application of harsh provisions of interna tional trade related intellectual properties agreement.

There is also a good deal to be done in ensuring quality control in which the government as well as our chambers have to play more effective role for quite some time to come. This is necessary in order to build higher international credibility for our products quality. However, such role for any governmental agency must not open up new opportunities for malfeasance

Emphasis on local value addition: While introduction of new goods will take some time, we have no reason not to enhance local value addition of goods we currently export Take the case of garments, for example. For almost half the appareis that are currently cut and tailored in Bangladesh, we need to import a minimum of 500-600 million metres of fabric. Earnest initiative by en trepreneurs backed by DFIs can help establishment of composite textile mills as well as separate units for production of grey cloth or for dyeing printing and finishing that can

portance. Gone are the days when taking advantage of a pressing global demand for our raw jute and jute goods we could dictate prices. Needless to mention that due to this complacency our jute goods especially JCBC were soon pushed out of important markets by synthetic substitutes.

All major factors responsible for escalation of production costs must be reviewed periodically. Anomalies in duty on industrial raw materials. erratic power supply escalating transportation costs high general insurance premia delays in goods clearance from ports for both imports and exports, low productivity of labour, frequent strikes and hartals, protection and ransom money for mastans and finally the cancerous growth of graft in various spheres have aiready eroded much of our competitiveness. All these therefore should be objectively examined by concerned agencies in consultation with the chambers of trade in order to mitigate their adverse impact on costs

of production of our goods. Export credit guarantee scheme: The scheme launched a few years back with the World Bank and the USAID's support has failed to provide

investment promotional efforts abroad suffer due to a lack of professionalism as bulk of the BOI employees remain wedded to the past philosophy and practices of regulation and control of the erstwhile Department of Industries. Since trade and investment promotion activities are inter twined, we should consider raising a cadre (or a sub-cadre)

or officers who should serve in

for investment and interna-

tional Trade and also in BOL

BEPZA and EPB to be attached

new amalgamated Ministry

trained and oriented, person-

nel to undertake trade promo-

tion activities. Similarly, our

to this Ministry in order to acquire a broad-range professionalism. Officers of this group should enjoy automatic preference for assignment in the economic and commercial wings of our missions abroad. Situation in Central and Eastern Europe: Markets in countries of Central and Eastern Europe as well as in Central Asia are passing through transition. Inspite of their need for consumer goods, some of which Bangla

desh can supply, most of these

countries are incapable of

making imports through

established practice of letters

Ambassador to Poland and former Secretary. Ministry of

destruction of our jule sector

- once the mainstay of our

Farmers Find it Tough Going

by Nilratan Halder

Ours is an overwhelmingly agrarian economy, with farm produces accounting for about 65-70 per cent of the total share. Surprisingly, however, agricultural policy is gradually getting inimical to the sector.

They even give the impression that the former's growth depends on the latter's restric tions! This is what makes no sense and is therefore untenable. Instead of viewing them as complimentary they are seen as a competitor to each other. As if one's undoing is a condition for the other's prosperity. The fact that the identification of 300 or so sick industrial units in the country does not deter us from giving them further doses of blood infusion gives a clear idea about the unspelt motive of our brand of free market economy.

Even the virtues of the free market economy as propounded by the economists of the Western world have been grossly distorted here. There the stress is on creation of wealth through as much competitiveness as possible. The fallacy that follows is that the poor of society will also get a share — however small — of the affluence thus build up. In their kind of society the trickle-down benefit flowing from the top may indeed be of some help. Because their economy is huge. But for our kind of economy with a vast population size the downward resource movement gets dissipated and dried up at several points of the distribution sys-

On top of this, when the re-

source continually moves bottom-up, and the process of diminishing benefit gets further revved up by endless demands by the huge administrative set-up and the emaciated factories and industries for their going-on, the majority at the bottom have to learn from a hermit's life. Of the population, about 20 per cent live in towns and cities and the rest 80 per cent in villages. About 10-15 per cent of these villagers may be categorised as big farmers or self-reliant ones. So at the time of policy formulation about 60 per cent people simply go out of vision. A large number of migrated (from villages) urban population also lead a hard life but at least they can manage some sort of employment - meagerly paying though it may be.

The arguments therefore lead us to the lot of the overwhelming majority of the farm population. How are they faring with their agricultural activity? Few have cared to listen to their tale of woes and still fewer attempted to address their problems. Only some sketchy reports on their difficulties to procure easy loans and to cultivate their lands reach the daily newspapers. Sometimes the exorbitantly absurd interests they are forced to pay also make it to the press, but the rest gets

drowned in silence.

On the one side crores of Taka go down the drain in the name of industrial loans - bad loans to be precise - and on the other, the farmers are left out of such provisions and driven in desperation to take credit from butcher-like middle men and jotedars. It is an impossible situation in which the village economy operates. Crop cultivation means basically paddy harvesting in most parts of Bangladesh Pisciculture in its present form encourages the cultivation of fish with an overwhelming stress on prawn to suit the lood-processing industry. A wide area in the country's south - Khulna and Bagerhat is now forced to give up its crop lands to the aggressive prawn cultivation. The small and marginal farmers are waging a futile battle against the moneyed farmers and jotedars.

Crop production has systematically been rendered non-paying. The investment cost-profit margin relations defy all economic theories. For the big farmers and the landless who cultivate, agriculture is still somehow paying - because of one's ability to control the implements and also to purchase inputs in time and the other's cheap labour. But here is a 'catch 22.' A large united family capable of put tiny-in more labour on a short

notice can actually clinch the day. But for a family with a single or two members to give labour will soon find its labour self out of contention of agricultural land soon. It is one of the reasons why population control drive in village may not succeed. All the agricultural inputs are gradually becoming costlier. The government is not helping the cause. It has recently increased the price of a ton of urea fertilizer by about Tk 850. Earlier the government rate of Tk 187.75 for a 50 kg bag of urea used to shoot up between Tk 250 and Tk 350 at the farmers' end. thanks to a series of intervening manipulations. With the latest price rise a bag of urea will cost Tk 42 more at the mill gate and nobody knows what price a farmer will have to pay. Notably the country produces more uren than it needs. Now the government increases the price of fertilizer at the start of the cultivation season. Last year the government dealt another blow to farmers by putting the pumps under its irrigation scheme on

open sale. So the pattern is rather clear enough. As in the industrial sector, the agriculture is tuned to concentrate the resources in a few hands who are historically in control. The

economy - falls within this design. The farmer in effect is asked to produce raw materials favouring a policy more export led than to his own benefit. It is surprising that he is still surviving. That small farmers can still be in agriculture is because theirs is a standard of living that is one of the lowest in the world. It is these people who gradually turn into landless and marginal farmers or labourers. Exportled agriculture and industries will fare relatively better because they will find market abroad instead of the expansion of our local market. However, a limited market for the small number of consumers with so much money they do not know how to spend will have to be built. The items will however continue to come from abroad and the glittering shopping ar cades in the urban centres are capable of pushing the majority's plight out of sight. Their money never turns into productive capital with its benefits reflected on the country's production and employment.

has to be based on the available raw materials. We seem to be prone to defy the rule. The farmers could survive if agroindustries suiting their special skills and needs were established in their local environment and, above all, under their own management. Both creation of wealth and the improvement of their quality of life ought to have been the aim. Without this driving force the country cannot survive well, let alone prosper

A country's industrial policy

Hartal

Sir. The news item "Business Leaders Urge Parties to withdraw January 25 Hartal' in your esteemed daily on 20-01-95 attracted my attention.

I fully agree with the comments made by the various chambers of the business community. While foreign investors are preparing to invest millions of dollars in a neighbouring country our politicians are indirectly detering a similar opportunity in our country. Needless to say, only eco-

nomic development and political stability can take this country forward. I deplore the attitude of the political parties who as a traditional means resort to 'hartals'. What is the meaning of pushing the country backward and how ean we the citizens keep silent about it. Our sons and daughters and their sons and daughters will continue to live in this land.

What future will any of them! Hartals deprive people of work and earnings. It contributes to business loss and keeps children from attending

school and college, even exams which is very important. Hartals just disrupts public life and hurts people. The very people for whom the political parties allege to be doing good - How? I fail to understand.

It is really a very healthy sign to see the business community raise a voice. They deserve our highest praise. It is time for the general mass to raise a voice too by writing. discussing and advising the political parties that we "the people" wish to participate in the development of our béloved country, not its ruination.

Golam M A R Chisty Dhaka

Of MPs and resignation

Sir, The opposition MPs have resigned, the Speaker is procrastinating with intention for an amicable settlement and the High Court is examining the constitutional legality of the action. The country is holding breath wishing that

proponents of progress from

all parties will deliver us from this limbo. However, we, the Janagan, for whom the politicians attribute justification of all their actions, have a question in our mind. Have the politicians found out what the Janagan — the silent majority

— say about their action? The elected MPs had sought votes from their respective constituencies. They promised to be people's representatives in the Assembly and that they could look after people's socio-economic wellbeing. For doing this job during a period of five years they are being paid monthly besides other perks. This completes a contract between the people and the MPs. By resigning, the MPs have breached the sacred contract with the people and left them on the lurch.

Sir, people are the payments of the MPs. As per normal custom. I feel, they must seek approval of the people of their respective constituencies before tending resignation. In this case it was not done. Party decision is not necessarily

people's opinion. Our request to the Speaker is not to accept their resignation until and unless each individual has the approval of the people of his own constituency.

Sharifuddin Ahmad New DOHS. Dhaka.

Dhaka's population and traffic jam

Sir. Dhaka's population and traffic jam are competing with each other neck to neck. We. the city dwellers, do practically feel it. Those outsiders who visit Dhaka after 2-3 months or 4-5 years feel it even better.

Dhaka's population stood at 35.00.000. In 1995 it is estimated at 80,00,000. During the last four years the city's population is estimated to have increased by 45,00000 i.e. @ 11.25.000 per year, 93.750 per month, 21.875 per week and 3,125 per day!

According to 1991 census.

If the present rate of in crease of the city's population i.e. 11,25000 per year continued, we would have an additional population of 56,25,000 after five years i.e. by the year 2001 AD Dhaka's population would stand at 80,00,000 56.00.000 = 1.36.25.000

Time and tide wait for none. We fail to understand as to why DCC, Dhaka Traffic Police and other concerned authorities have taken no step as yet to contain traffic jams on the public roads? Would the authorities concerned be able to solve the traffic jams of Dhaka city with a twinkle of an eye in the year 2001 AD?

Dhaka-1203

O H Kabtr

Chechnya, a cause for freedom

Sir, In normal situations. demand for the secession of a part of a state is not support able. But the reportings of the Western media, about the

Chechnian conflict, are making us wonder. TV pictures sent from the front-line are jolting our memory. Repeated request of the Chechnian leader on the new year's eve for discussion was ignored. Russian Presi dent's declaration to the world about stopping the outrage turned out to be only ploys.

The ferocious bombing on the unarmed population found its parallel in the carnage against Semites by the Nazis. against Bengalis by Pakistan and against Bosnians by the Serbs in the recent past Though worldwide condemna tion is there, effective measures are absent to desist the offenders. Threats of stopping material assistance by Western powers will discourage the militarists in Russia to take the marauding stance.

Should we accuse the Chechens as mere secessionists? Is not there enough justification to keep their distance from the people who do not hesitate to kill them mindlessly? A reader

Dhuket