

Looming Threat

The countries of the Asia-Pacific region on the concluding day, Monday, of their three-day conference on the environmental disaster facing them have virtually sent an SOS message to the developed nations. Their appeal is that the threat of the low-lying island countries going down into the sea should be unitedly met by the nations of the world.

With the gradual warming of the earth the countries of the region have a great cause for alarm. Particularly for countries like Bangladesh with a high concentration of population such an environmental convulsion will bring about a catastrophic disaster. If the water level of the seas rise by just one centimetre, quite a number of the sea-bordered countries of the region will simply vanish into the sea.

The issue of green house effects has now been before us for quite some time. The initial enthusiasm as demonstrated by the rich nations for dealing with it is now getting dissipated. So the Asia-Pacific countries have felt the need to draw once again the world's attention to the unprecedented threat, they are facing. If the industrialised countries are now adopting new safety standards against environmental pollution, even they had no such concern a few years back.

Here also the developed countries have a lot to do and also in their best interests. The prices of devices that reduce industrial and automobile pollution have to be brought down through research and experiments and even made available to the resource-scarce countries on soft-term loans. As for bearing the cost of a global salvage operation, the rich nations should feel that they have moral responsibility in this behalf.

Poisoning a Popular Food

Puffed rice — muri is one item of snack still universally popular among the Bengali people. It has stood the challenge of time as well as of social change. For centuries and till some decades ago this was a plebeian food item looked down upon by the urban and classy types. After independence recognition came to jambura or batabi lebu — shaddock or pomelo that is — as a fruit and space was awarded to it generously besides grapes and apples in the fruit stalls.

Muri used to be made in homes by individual families. With demand increasing by leaps and bounds, it became an item of mass manufacture, certain villages and areas specialising in the production of this popular snack.

As both mass production and marketing are done by a handful of businessmen it is up to now very feasible to stop the poisoning of a very good and popular food item. Government can nip the bad thing in its bud if it wants to. Can we not hope that NGOs would take up the job of motivating the individual producers against using urea?

Weirdly Wasteful

This is not certainly as bad as ten lakh people applying for 16, yes sixteen, positions in government employment, as it happened in Kerala early this month. But 20,000 students taking admission exams for MBBS this year is bad enough. They would be in the impossible gladiatorial arena fighting each for a total of 650 seats in the nation's 13 medical colleges or about 31 pupil vying for one place.

Who are these valiant — and tragic — 20 thousand? They are not pupils of the average mould. They are — all 20 thousand of them — the very best coming out from the nation's HSC grades of the last few years. And 19300 of them or 97 per cent of these gems would be rejected — such is the stupendously lofty citadel of medical education in the country.

There are two sides to this coin too. The exams are a device to cut the size of the demand to that of supply — nothing more and nothing less with no question of intellectual power and achievement involved anywhere. On the other side of the coin is the madness that drives the parents of these students to storm the medical gates and throw themselves in a fit of impossible jousting. What is there to medicine or to engineering?

Does medicine mean sure-fire employment? Does it mean more money than any alu-patal business should yield? The answer to both is an emphatic no. And unfortunately for the medical hopefuls while an engineering bachelor degree is a sufficient passport to becoming a full scale professional with all the doors to the highest perches open, the medicine graduate is very nearly a non-entity in the profession and must embark on a few more years' cramming and dating with lady luck before he or she can get only a foothold in the fold.

BANGLADESH is the emerging tiger on the Asian economic front.

At least that is the catchy slogan, put forward to attract foreign investment into the country. According to our Prime Minister, such investments from foreigners would not only be safe and secured, but earn good profit as well.

This newly coined terminology of an emerging tiger reminded me of an old (1960) sales promotion campaign slogan of ESSO — "Put a Tiger in Your Tank". If it is a tiger, it becomes catchy; or is it? We are already well-known as the land of the real animal and visit Bangladesh posters of Parjatan display the famous Royal Bengal Tiger in the background of Sunderbans. I saw the poster in a tailor's shop of Bangkok. The Indian shopowner told me that lot of Bangladeshis were his customers and profusely thanked the poster for that. Unfortunately, the poster could promote tourism only in the reverse.

Bangladesh, the emerging tiger and put a tiger in your tank fulfill strikingly similar ambitions and follow remarkably uniform logic. Tiger conveys the image of considerable strength, tremendous energy and enormous speed. The ESSO gasoline, as the Company wants us to believe, would have similar effects if used in your car regardless of the fact that you are caging in the liquid tiger inside the tank. Hopefully, your car will run like crazy since it must beat the impossible traffic of Dhaka. Similarly, a rapidly growing economy shows the tiger's speed in its often double digit growth rates; while at the

Bangladesh: The Emerging Tiger

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same time, it builds up the strength by growing bigger with each passing day.

To me, tiger conveys majestic beauty — particularly in its natural habitat. Once deep inside Sunderbans, I had the golden chance to witness the rare sight of a full grown male tiger, staring defiantly at our passing boat. The animal ignored us completely, turned around and quickly went inside the forest — vanished out of our sights within a few minutes. The majestic tiger does not conjure up the image of growing economy unless the patterns of growth are environmentally sound and sustainable. These days it cannot be growth at all cost; it must be pollution free, nature friendly and receptive to the demands of the future generations to come.

When it's the Tiger Emerged

Bangladesh is now the emerging tiger and what it would be when the tiger has fully emerged? I will try to conceive it as follows: Start off from Tentulia up in the north after breakfast and I should be able to reach Dhaka, 500 kilometres down south for an excellent lunch at my favourite restaurant; although there should be at least few hundred first class restaurants to choose from. Thereafter, leave Dhaka and arrive Cox's Bazar for a lovely seafood dinner by the beach. It would mean a

total journey of around 1,000 kilometres covered in one day and in course thereof, passed through two very large urban metropolises and at least few dozen small to medium sized towns — all heavily industrialized. When the country's economy is the tiger emerged, per capita income should be around a thousand United States dollars, majority of the citizens are urban dwellers, working in modern enterprises, primarily the manufac-

ture sector of the economy; while, agriculture is also thriving, producing at least a hundred of paddy in each decimal of rice land. There will be universal education and access to health services enjoyed by everybody.

WINDOW ON ASIA Shated Latif

of China also emerged as newly industrializing countries or regions. South Asia lagged behind all throughout. The pre-conditions for a dramatic breakthrough were conspicuously lacking.

The basic to this quantum leap from the status of a least developed to a newly industrializing economy is sustained economic growth of near-around 10 per cent per annum over the next twenty years — in spite of the frequency of natural (not man-made) disasters. Such rapid rates of growth can be sustained if labour intensive manufacturing for exports are enabled to expand at the speed of a tiger with boundless en-

ergy and vigour. But is it feasible? Why not. Other Asian tigers have done so in the past. There is nothing new about it and if it was possible elsewhere — why not in Bangladesh?

In our region of Asia and the Pacific, the first four such tigers, branded as the "Gang of Four", were South Korea, Hongkong, Singapore and Taiwan province of China. Later on, Malaysia, Thailand, Indonesia and coastal provinces

growth in investments, exports and GDP. But only Bangladesh among SAARC countries stands the chance of becoming the next Asian tiger or a newly industrializing country? Why?

Most Homogeneous

This is because Bangladesh is the most homogenous in terms of race, religion, language and culture. Pakistan and Sri Lanka suffer from deep-seated divisions among their own peoples; while Nepal is land-locked, too isolated to join the mainstream of export-led growth on a sustainable basis. In other parts of Asia, the infrastructure of Vietnam is as yet too weak to bear the pressures from large inflows of investments. The other two Indochinese countries are also too far behind.

The two giants of Asia, India and China fall in a different category. It may be noted that the triad of the global economy — USA, Japan and EEC — may as a matter of strategy, try to keep the Asian giants away from NIC category; certain parts of China and India would in the very near future become heavily industrialized but disparities within would not only persist but enlarge in course of time.

Among other countries, the Philippines has missed the boat. Brunel is not interested and so is the case with Burma.

although resource-wise, these two countries are perhaps the richest in the region. So this leaves Bangladesh with good fortune and, if we are determined to overcome the odds, primarily political in nature, we are in for a long period of good luck.

Apart from the homogeneity factor, it must be noted that our textile industry, including garment manufacturing, is now ready for a period of considerable expansion. Same is the case with shrimp, other sea foods, leather, plastics and all other products where labour is a large component of the total cost of manufacturing. In addition, the internal market, given the population of around 140 million by the turn of the century, is bound to be fairly large in order to attract the global multinationals.

With the completion of the Jamuna bridge, privatization of tele-communication services, coming of age of the stock market and the emergence of forward-looking, large private sector enterprises — we have now acquired the desired absorptive capacity to welcome foreign investment on a multi-billion dollar scale.

Among problems we faced, population was by far the most intractable and our people have shown that in spite of all the constraints, the fertility rates have started to go down and we are on our way towards achieving a stable population. There is a development consciousness pervading the country and Bangladesh migrant workers all over the world have proved that we are as good as anyone and give us the chance — we can prove it to the rest of the world.

INSTITUTIONS IN A SEMI-FEUDAL REGIME-II

How Semi-Feudal Institutions Survive Over Time

by Dipasis Bhardra, Zahid Hussain and Laura Jean Bhadra

WE have been discussing the role of semi-feudalism mostly in the agricultural sector. This is reasonable since a large part of our economic activity takes place in agriculture and agricultural related activities. But what about the pockets of industry, service, and other activities within the largely rural economy? Do they follow the rules of semi-feudalism or the rules of the market?

Within a market economy, firms must conform to the profit maximization principle, since otherwise they will be driven out of business. Only the fittest — the most efficient — firms can survive. Firms within the semi-feudal economy — even supposedly "modern" firms — have no such constraint on their behavior. The survival of the fittest argument does not really apply here since competition is not well developed within the semi-feudal regime.

It is difficult to specify what drives firm behavior under semi-feudalism. A variety of objectives can be envisioned for the semi-feudal firm such as maximization of employment, minimization of individual workloads, budget maximization, maintenance of the status quo, or even simply survival.

However, given that the goal of the firm under a semi-feudal regime is not likely to be profit maximization, it is also unlikely that there will be a clear and fair correlation between wages and productivity.

In a competitive market economy people, in essence, are paid what they are worth. Wage equals to marginal product implies that competence is rewarded. Within the semi-feudal system, by contrast, there is no guarantee that people are in fact paid what they are worth. Rewards and punishments come about in a rather random way, through personal contacts and other non-economic factors such as likings and dislikings for particular persons. It is not just that competence is not rewarded, in fact, if competence appears as a threat to the dominant partners or parties within the system, it may even be penalized.

What is the end result of the absence of a well defined incentive system? We have seen that competent persons are not rewarded properly under semi-feudalism, except in rare cases by coincidence, e.g. competence happens to coincide with personalized con-

tacts. What are their options? They can leave in an attempt to find a place where they will be properly rewarded. Or they can continue to struggle against an inefficient system. Or they can give up the fight and decrease their efforts to the point where by deliberately lowering their own productivity, they bring their wages in line with their marginal product. Incompetent persons within the organization, however, understand very well that they are being paid more than they are worth and more than they would be paid under a true market system. The system in effect amounts to a cross-subsidization of incompetent by competent persons. Incompetent individuals thus have very little incentive to leave the semi-feudal organization. It is in their self interest to remain entrenched in the organization and devote their efforts to protecting their economic rents.

Thus, even supposedly modern pockets within the semi-feudal system have a built in bias towards attracting and retaining incompetent personnel. Lacking the discipline of the market, the firm under the semi-feudal regime has a

self-perpetuating system whereby competent persons have every incentive to leave and incompetents have every incentive to stay. What is surprising about firms within the semi-feudal regime is not that they run as poorly as they do, but that they manage to run at all. We venture to suggest that those firms who manage to run somewhat successfully in spite of the semi-feudal regime are the ones who have been most able to insulate themselves from semi-feudal instruments by relying on market signals and creating their own well defined internal incentive systems.

Dynamic Inefficiency of Semi-Feudal Economy

The source of dynamic inefficiency of semi-feudal regimes lies in the absence of a well defined internal incentive structure. By failing to reward competence it leaves individuals with little incentive to invest in building human capital. There is a parallel between interventionism and semi-feudalism. Interventionism attracts real resources towards rent seeking activities. Semi-feudalism attracts real re-

sources towards cultivation and demonstration of loyalty. For instance, subordinate employees in semi-feudal firms spend a considerable amount of time pleasing their superiors. The latter encourage it because it continually reaffirms the fact that they are in command. Work is affected, however. Displaying loyalty receives priority over getting things done leading to sloth in organizational behavior.

This is sustainable as long as the markets in which they operate remain protected. With such protection, either from the government or through private action (masthanism), an equilibrium characterized by economic stagnation can easily emerge. Lack of incentives for competence discourages accumulation of human capital and induces emigration of the gifted and talented. This prevents the size of the pie from growing which in turn intensifies the pressure for being loyal in order to maintain one's share of the fixed pie. This reinforces the initial situation.

Growth of true market oriented firms comes from innovative activities which historically have been led by non-agricultural sectors. As such firms spread throughout the econ-

omy, semi-feudal rules become extinct even though at the outset existing semi-feudal firms may resort to nonmarket means to retaliate against efficient competition. Unless aided by the coercive power of the state, however, such retaliations cannot succeed for long when consumer awareness of their rights is heightened by developments in their enforcement capabilities.

Transformation of semi-feudalism into a market society is thus only a matter of time. Population pressure, technological progress, growth of communication networks, and globalization of commodity and factor markets are all forces which will hasten the dissolution of feudal social structures. The urge to maximize the standard of living is inherent in human nature. The single most important effect of global integration will be in terms of freeing individuals to pursue unimpeded what their inherent nature dictates them to do. Alternatives to market system such as feudalism, semi-feudalism or socialism are not viable in the long run precisely because instead of helping the constructive growth of this aspect of human nature, they attempt to stifle it.

On Sunday : The Role of the Government

To the Editor...

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.

The Constitution and MPs

Sir, During the last few months there has been lots of very critical and illuminating discussion on our Constitution surrounding the matter of 'caretaker government'. This has led to many questions and finally it has gone to the highest court of law of the country. Never before during the last half a century the people in this country had shown so much interest in the Constitution and the law. I consider this as a very good sign. Everything in life has a good and bad side. And the uncertainty that has been created by the question of 'caretaker government', 'en masse resignation' and now the question of the sovereignty of the parliament has created so much of interest in the public mind that new questions are coming up in the mind of layman like me.

I am not a politician, lawyer, civil servant or an armed personnel. I am just an ordinary citizen retired from a commercial firm after 40 years of service. But as a citizen I have to cast vote every now and then to elect a representative to the parliament to act on my (people's) behalf in the parliament. Naturally, like all the citizens I have to judiciously cast my vote even if it's once in five years and therefore a lot of questions arise in my mind as to what is the Constitution, what is sovereignty and who checks whether the members elected by me exercise the power delegated by me judiciously as I wanted him to do or not? Where is my remedy if he does something in the par-

liament contrary to my wishes or in violation of my rights and privileges as guaranteed under the Constitution (the first person here means the people).

Lately we have been hearing that the parliament is sovereign, but nowhere in the Constitution I could find that the parliament is sovereign. Art 7 of the Constitution says as follows:

"All powers in the Republic belong to the people and their exercise on behalf of the people shall be effected only under and by the authority of, this Constitution.

(2) This Constitution is as the solemn expression of the will of the people, and supreme law of the Republic, and if any other law is inconsistent with this Constitution that other law shall, to the extent of the inconsistency, be void."

So the sovereignty lies with the Constitution and not with the parliament. Now there are certain fundamental rights guaranteed by the Constitution and if our representatives in the parliament passed any law which is contrary to those laws, who will interpret whether the law is in violation of the sovereignty law? This is a question the legal pundits must clarify to us, the people, the sovereign power.

Art 78(3) says that a member of the parliament shall not be liable to proceedings in respect of anything said or any vote given, by him in parliament or in any committee thereof. No extra privileges seem to have been given to an MP by the Constitution. By Art 78 (5) of the Constitution the privi-

leges of member "may be determined by an Act of Parliament."

Now is it fair if by passing act of the parliament the MPs grant to themselves the privilege of importing cars free of import duty causing loss to the exchequer? Who is to interpret our representatives are transgressing their authority as guaranteed in the Constitution? Can the MPs change Constitution at will without the consent of the sovereign people even if they can muster two-thirds majority? Here the highest court comes in to the picture. They have to decide if a law enacted by the parliament is within the limits of the sovereign Constitution.

P.G.M New Eskaton, Dhaka

Genetically caused retardation

Sir, The discovery of a gene that causes the most common type of inherited mental retardation was announced in May 1991 by a team of researchers in the United States and the Netherlands. The identification of the gene is expected to lead to a prenatal test for the genetic defect. The scientists said it may eventually also be possible to treat individuals who inherit the defect, to prevent their becoming retarded.

The gene underlies a condition called "Fragile X Syndrome", so named because it is often associated with a break in the X chromosome. Chromosomes are tiny structures in the cell nucleus that carry the genes (DNA). The X chromosome is one of two chromosomes that determine person's sex. The other is Y. Females have two X chromosomes in each cell; males have one X and another Y chromosome. "Fragile X Syndrome" affects about 1 male in 1,500 and 1 female in 2500. But the genetic defect causing it, is more

common than that. For reasons that have yet to be established, not every one who carries the abnormal gene suffers from the syndrome.

The researchers in the United States found the gene very close to the point on the X chromosome where the break always occurs. The gene is a faulty version of a normal gene that apparently is important in the development of the brain.

The investigators said that although they do not yet know the exact function of the gene, they have analyzed the protein that the gene (DNA) codes for and found it to be very unusual. One segment of the protein contains 30 consecutive molecules of an amino acid called "Arginine". Amino acids are the building blocks of protein which are about 20 kinds. No other protein containing such a long string of that (arginine) amino acid is known to the molecular biologists.

Now that the gene responsible for the syndrome has been located, researchers hope to learn how an abnormal version of that gene can disrupt brain development and what other effects it might have besides retardation. Neuroscientists suspect that Fragile X Syndrome may lie behind some other mental disorders such as autism, hyperactivity and learning disabilities.

It is obviously a good news for both the relatives and the persons who have been suffering from these above mentioned mental disorders from his early childhood. In our country, we usually do not sympathise with the plight of the mentally retarded persons. This is a heinous act both from the ethical and medical point of view. So should we be indifferent and rude to these helpless persons?

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Art Buchwald's COLUMN

Love Those Fund-raisers

I was at a \$1 million fundraiser for Newt Gingrich the other evening in Washington and was fortunate enough to sit next to Tim Smith, a major contributor to Newt's various foundations and political action committees.

He denied that he donated money to Newt in exchange for political favors. "The reason I come to these dinners is because I love the food," Tim said. "You're not going to get a piece of chicken this tasty even at the Four Seasons."

"I never thought of a political fund raiser as a three star restaurant," I admitted. "It's not just the Caesar salad and Baked Alaska that bring me out," Tim said, "I like the good fellowship that goes with a Newt Gingrich affair. Everybody here hates the same things and the same people. All a speaker has to do is mention Connie Chung, and he gets a standing ovation. One joke about pregnant mothers on welfare is worth the \$2,000. I love politicians because they put fire in my belly."

I said, "Newt is the most successful fund-raiser in political history. In the last 10 years he has pulled in \$17 million. I can't believe that people give him money simply to have a delicious dinner."

Tim grumped, "Are you saying that Newt doesn't care about the food he serves at these benefits?" "No, All I'm saying is that there are some lobbyists who feel a substantial donation to one of his funds would help him look kindly on their industry."

"That's how dumb you media people are. An insurance company, for example, will give Gingrich money only because it likes the wine he serves at the banquet. Newt doesn't even know how much an insurance company donates to his foundation. As far as he's concerned everyone who gives gets the same wine and great treatment. Gingrich will not do favors for the insurance industry just because it offers to underwrite his college teaching classes."

I said, "According to NBC, the Kohler family gave \$757,000 to Newt. As Speaker of the House, wouldn't Newt be more tempted to call a member of the Kohler family if the Capitol toilets won't flush?"

Tim was furious. "That isn't how political fund-raising works. Newt doesn't care about the plumbing in the House. He is concerned about the ridiculous federal plumbing regulations that are hindering his Contract With America. That's where he and the Kohler family are working the same side of the street."

I tried to change the subject. "Do you find this chicken a little tough?" I asked Tim.

"A little, but it's much tastier than the French toast they served at a prayer breakfast for Newt in Atlanta last week."

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