

## Budgetary Expectations

The run-up to the presentation of the national budget for 1995-96 has generated considerable material in the shape of proposals and suggestions aired by various professional groups. Top level business, industry and service sector leaders have demanded a level playing field vis-a-vis the loss-making public sector corporations which are heavily subsidised and an enabling environment for a private sector-led sustainable growth. On the purely operational plane, the organised professional bodies in the private sector have clamoured for rationalisation of corporate tax and VAT, continuation of tax holiday, rebates in import duties and licence fees, incentive bonuses, reduction in tax at source and raising of the taxable income ceiling.

Rent-seeking has been roundly criticised and various forms of extortionist collections, basically germane to garbed or open political coercion and a poor law and order situation, which push the costs and prices up, were unwittingly glossed over in the debate, so it seemed.

Somewhat far-fetchedly and obsessively, the one-year operational frame of the budget was overshoot by some high thinking academics and professionals who took a longer shot lamenting the lack of political consensus which evidently remained so very elusive during the last four years to be craved for at all now — in a heated election year, that is.

We are for an order of priorities in the next budget that is addressable and realisable within the duration of the budget. We would like the next budget to protect the purchasing power of the people without fuelling the fire of prices any further. Despite last year's fiscal incentives for price control, prices of essentials did soar.

Then the food-deficit-induced high prices pushed the inflation rate up to 4.5 per cent during July-March of the current fiscal year as compared with only 0.48 per cent in the corresponding period of 1992-93. Even a higher availability of cereals in the market could not significantly alter the priceline for the better. The government has to finance the loss-making corporations, apart from spending Tk. 1000 crore from the next budget on account of pay-hike, ID cards and food-deficit. Then an election year escalation in the expenditure stares us in the face. The inflationary pressure would warrant a contingency monetary control policy.

As for subsidy in agriculture, let research and agro-technology be well-financed. To neutralise the effect of unproductive expenditures, we may think of providing low-interest loans to small enterprises, both agricultural and industrial. This will help reduce unemployment in the short run.

## Now BUET it is!

The BUET has had an almost impeccable record in campus peace and academic continuity among the institutions of high learning in the country. But it seems to be in the bad way now having lost its immunity to violence and murderous assault. On Saturday morning Ahmed Ullah, a final year civil engineering student and general secretary of the Samajtantrik Chhatra Front (SCF), the apple of eye to his parents, was viciously gunned down near the teachers' residential enclave by two unidentified young men. The assailants are suspected to be outsiders, hired or otherwise assigned to kill, by someone who apparently bore personal grudge against Ahmed Ullah.

Whether the gruesome murder was the result of political or personal vendetta will hopefully come to light in due course but suffice it to say at this stage that if it were not for an abatement from inside those two youngmen couldn't have dared enter the campus and have breakfast with the would-be victim minutes before he was led out towards Bakshibazar for the killing, in a perfect sequence-by-sequence unfolding of a plot. This goes to underscore the growing sense of insecurity in all kinds of academic campuses today. That the BUET waxed complacent on this score despite being well aware of security breaches occurring in other academic institutions from time to time can not be in doubt. Why were the outsiders not screened at the gate. They could be caught red-handed with their gun or the very fact that vigil was being kept would have warned them off. Let this be a routine precaution from now on.

Since die closures of institutions in the wake of a backlash of any dastardly incident hardly help matters; they can even put a sop on the investigations. The police better not fail to ferret out the culprits.

## Woman Power

Mayawati is by now a very familiar name in India. An outspoken politician, her claim to celebrity came more from a refreshing disregard for sophistication than anything else.

The abrasive Mayawati has been appointed the chief minister of the 140 million-strong mizistate and to prove that the weight of that onerous office would not mellow her performance, while she is there, has already, sacked the state police chief. Hers was an uneasy going with Mulayam Singh Yadav, the outgoing chief minister, from the very beginning of the coalition. She had to bid time before committing her party BSP to an inconceivable marriage with BJP — the political outfit of Hindu orthodoxy and champion of caste Hindu aspiration for reinforcing social power with the political. Mayawati's party so far wholly represented the interests of the deprived and suppressed lower castes. Whatever posture Mayawati may put on this is a sell-out that is going to influence all-India politics if she can stay at the helm for some time. But Yadav, by far the more dependable fighter for the social underdogs' cause, would not be sitting idle.

Mayawati's rise, however, has a lasting symbolic value, whatever her performance. She is a woman and from the lowliest in the society. Uttar Pradesh — the core of Indian political and cultural power — has been the bastion so long of communal bigotry that has for long been pushing out the liberal bourgeois Congress from power and something that found a diabolical expression in the razing of the Babri Mosque. For Mayawati to become UP Chief Minister is a historical sociological milestone that will leave a mark on both Indian polity and society.

EVER since less-developed countries have become recipients of foreign aid, terms such as "aid conditionality" and "tied aid" have become a familiar vocabulary in the development literature. It came to be recognised that aid or concessional finance was not a bounty, but had various strings attached to it. For instance, tied aid compels a recipient country to purchase the necessary equipment and hardware for an aid-financed project from a particular source, usually the donor country, and frequently at higher costs, reducing the real value of the aid.

Conditionalities on the other hand are imposed by donor countries to ensure, from the donor perspective, effective utilisation of the loan, but in fact, gives these countries considerable leverage in shaping various policies in recipient countries. The most familiar examples in recent times are measures such as privatisation, trade liberalisation or retrenchment of workers in the public sector, attached as conditions on World Bank loans. Theoretically, receiving countries can negotiate the terms and conditions of these loans; but given the unequal bargaining power between donors and recipients, it is not difficult to imagine in whose favour the bargain is usually struck.

Be that as it may, developing countries have by now reluctantly accepted all these extra burden and baggage that aid brings. After all, "beggars cannot be choosers." But it

# The New Stick of Trade Conditionalities

by Nasreen Khundker

*We witness with disbelief the recent activities by interest groups in the USA to impose a trade embargo on imports of garments from Bangladesh on the plea that garments' factories in Bangladesh employ child labour.*

seems now that "sellers cannot be choosers" either, when the seller is a poor developing country like Bangladesh. Thus we witness with disbelief the recent activities by interest groups in the USA to impose a trade embargo on imports of garments from Bangladesh on the plea that garments factories in Bangladesh employ child labour. It is even more incredible that UNICEF has also decided not to purchase items from South Asian countries, if children have been employed in the manufacture of such items.

This incredulity stems from various considerations. First of all, free trade like free markets, is a much beloved dictum in the West. Until recently therefore, specific conditions imposed on trading partners were relatively uncommon, though there may have been barriers to trade in the form of tariffs or quotas. Perhaps because of their novelty, "trade conditionalities" must be justified on purely moral grounds, whether it is on the pretext of child labour in Bangladesh or goods manufactured in prisons of China. One can therefore legitimately ask: Whose interest will be served by the trade restrictions? Certainly not that of the child.

I know of no comprehensive study or analysis of the socio-economic context for employment of children in Bangladesh or elsewhere as a justification for such a crippling restriction on imports, but simply a casual and cursory visit by a US Senator. The decision to send children to work at a relatively young age is a parental decision, made mostly by poor families, often female-headed households. The child's income supplements the earnings of these families and meets the sustenance needs of even younger siblings left at home. Studies of garments industries classify these young workers as "helpers." In other sectors too, especially in informal manufacturing, helpers are commonly employed, and learn the trade from a young age. This training enables them to gain upward mobility as semi-skilled or skilled labour status, and in the case of informal manufacturing units, finally leading to the setting up of new enterprises by skilled workers, who have also accumulated some capital with time.

This is thus a form of apprenticeship training very common in the informal sectors of the economy of Bangladesh and other develop-

ing countries. I would refer the reader to various studies by the ILO on this. Strict and uninformal labour regulation can only shut the doors to training for a large segment of the population, who under conditions of poverty cannot enter the formal education system. Even if these workers were to be formally educated, what would be their job prospects on completion of their education? Has this question been posed at all? If helpers are observed to receive a lower wage, Neoclassical economic theory taught in the best Universities in the West, tells us that this is due to the fact that the low wages reflect the cost of training which is borne by the worker, when the training is not specific to the firm, but is general in nature i.e. the worker can be bid away by competing firms, under completion of training.

A proper analysis needs to take all this into account. The expected outcome of this hue and cry over child labour is that the retrenched workers are not specially provided for, forcing them to become vagrants or subject to worse forms of exploitation.

Besides economics, there is the question of sovereignty. Ensuring freedom from ex-

plottation should be the business of the people of a country, not that of the trading partner. There is the Factories Act 1965, the Maternity Benefits Act 1939, and the Children (Pledging of Labour) Act 1933, to protect the interests of workers, including young workers. Trade unions, labour associations and the entire legislative machinery of a country can suffice to ensure compliance with labour laws. Foreign activists and interest groups cannot bypass these. It is also interesting that the views of the workers themselves and their families have not been taken into account before advocating these retrenchment measures. What is the justification for such paternalism? If poverty forces families to send their members to work at an early age, the problem should be solved by general poverty alleviation measures. Maybe

the government should put greater effort at taxing the profits of employers to finance expansion of education or other schemes.

Lastly, why confine the issue to exploitation of children? Many good scholars in the West have for decades argued about the exploitative nature of the capitalist system and the poor conditions of employment in Western countries. Exploitation in the US and other countries also extend to low-paid immigrant labour. Are these products being shunned by Western consumers? These questions need to be raised. There is no need to presume that citizens of developing countries are less aware or less moral than interest groups in the West, but they are forced to take into account their socio-economic context. Senator Harkins does not seem to be aware of all these ramifications. My personal fear is that we may be slowly forced to accept trade conditionalities, just as we have done with aid conditionalities. Unfortunately, the latter may turn out to be the lesser of the two evils.

The author is an Associate Professor in the Department of Economics, University of Dhaka.

## Art Buchwald's COLUMN

## Sinners, Inc.

WHAT'S happening with the "information highway" is that more people are learning less than ever before. When people don't read, they blame the newspapers for slanting the news. It is difficult because it is the reader, not the reporter, who calls the tune when it comes to news. If I write that Hong Kong has developed its own atomic bomb, the reader says, "Why is he bothering me with this junk?"

If, on the other hand, Princess Diana is accused of having an affair with her horse trainer, the subscriber says, "We'll take everything you can give us."

The only reason for the existence of newspapers is to make money for the owners. The more readers a newspaper has, the more freight the paper can bill the advertisers. In order to attract these readers, newspapers have to feed stuff that the people will salivate over.

At the same time as the readers are gorging themselves on OJ stories, they are complaining that they are sick and tired of reading gossip and innuendo and wish we would all get serious.

I was at a dinner in Georgetown the other night where everyone started to pick on the press.

"Why don't you write something positive about the Clintons?" Marty Herold asked me.

"Because if we did you wouldn't read it," I told her.

"That's not a good reason," Marty said.

"Readers expect fairness from their papers, and we're not getting it when all you tell us is the dirt about the British royals."

Stuart Weisberg said, "The only news we get about the government is when a politician sexually harasses someone in his office. Why don't you praise Congress for what they do?"

"What have they done that I should praise them?"

There was dead silence at the table. Then Stuart added, "You could thank of (ital) something (unital)."

I said, "You believe that journalists are corrupt. This is far from the truth. We don't need money because all of us have trust funds from our grandparents. The only thing we can be bought with is flattery. If someone makes a nice remark about a story, we'll go into the tank for them for a whole year."

The Rev. Robert Hoffman Naylor rose from the table. "I would like to propose a prayer not for the newspaper in Washington but for the thousands of citizens in this town who leak to them. To the unwashed snitches — God bless them one and all."

By arrangement with Los Angeles Times Syndicate and UNB.

# The Tragedy and After

Ashok Mitra writes from New Delhi

*Apportionment of the blame for the tragedy will now be clouded by the exigencies of domestic and international politics. Something much worse is, however, on the anvil.*

THE burning down of the shrine at Charar-e-Sharif is in itself a tragedy of immense proportions. The shrine had been, for nearly five hundred years, a reminder of the inspiring teachings of the great Sufi saint, Nuruddin Noorani. At the core of sufism stands out the message to tolerate and respect one's fellow beings and the ideals and beliefs they hold. How the burning actually took place has already become the subject of intense controversy. The report put out by the authorities at Srinagar and New Delhi may be right, or at least partially right. The fact nonetheless remain that few, very few, amongst the citizenry in the Kashmir valley are prepared to accept the official Indian version. Its credibility is equally low with the foreign media and, therefore, in foreign countries.

Apportionment of the blame for the tragedy will now be clouded by the exigencies of domestic and international politics. Something much worse is, however, on the anvil. The lobby which is extra keen to ensure that defence expenditure in the poor, developing countries continues to be high and soaring has been provided with an opportunity to raise the scale of their propaganda in the South Asia region. In situations where passion is inflamed, clarity of thought is usually the first victim; blind emotion emerges as the dominant element in decision-taking. It is therefore nearly certain that, in the wake of the Charar-e-Sharif disaster, all talk of arms control and reduction in defence outlay will receive the short shrift in both India and Pakistan. The jingo spirit will very much assert itself, whoever in either country suggests a planned cut-back in defence spending will be accused of a substantial lack of patriotism.

Since reasoning will now take a back seat, it will, at least for some while, be awfully difficult to put across such points of view as that by raising the load of defence expenditure, we do not necessarily strengthen our defence capability in relation to that of the nation we regard as our prin-

cipal adversary. If India raises her defence outlay, Pakistan would immediately follow suit, that Pakistan too has raised its defence spending would then constitute the ground for raising further India's defence outlay at the next round; Pakistan would once more follow suit; India would predictably retaliate by spending even more on defence; Pakistan would reciprocate. This could be an unending story, and neither nation thus madly involved in this competitive game of fortifying defence capability is likely to succeed in establishing herself at any point as stronger than what she was at the start. Perhaps, at one or two stray moments, one of the two countries would gain a temporary advantage over the other on some aspect or other of strategic defence arrangements; this advantage is however likely to be soon wiped out by hurried new initiatives taken by the government of the other country. The only gainers from this insensate race to strengthen defence would be the armament merchants and commission agents, apart from countries that are the major producers of war weaponry of various descriptions.

Since the arms-manufacturing nations are by and large industrially advanced and enjoy a high level of economic prosperity, enlarged defence outlay on the part of the poor, underdevelopment countries would in fact mean a transfer of income from the poorer nations to the rich. For this particular development, the Third World nations could hardly find fault with the world's rich countries; they should blame only their own intolerance which keeps them away from engaging in talk with their neighbours in an attempt of rapprochement and reconciliation of views and interests. Life is not worth living if the fellows across the border are not taught an appropriate lesson which they will not forget for the rest of their lives is an understandable sentiment under some situations. But in case it is impossible to teach the neighbouring country a lesson of the intended sort, passion ought to be cooled for one's

own sake. Unfortunately, in circumstances which emerge in the wake of occurrences such as the Charar-e-Sharif tragedy, passion refuses to be cooled, and there is a stubborn reluctance to recognise what is basic reality. The final losers are the poor, deprived of the opportunities of education and nourishment and shelter and employment in both countries, since resources would now be diverted in an even greater proportion than before away from development into defence.

Consider, for example, this year's budget of the Government of India. Of the total proposed outlay of Rs 166,000 crore, roughly one-fourth — 25 per cent — would be covered by appropriations in the name of defence and internal security. As a matter of fact, allocations for defence are tucked in under different budgetary heads, so much so that the actual outlay for the purpose could be even higher. Contrast this with the demands for grants that have been voted for the Ministry of Industry, which comprises three crucial departments — the Department of Industrial Development, the Department of Heavy Industry, and the Department of Small-Scale Industries and Rural and Agro industries. The outlay for these three major departments taken together barely adds up Rs 1,600 crore, that is to say, it is even less than 1 per cent of the aggregate budgetary appropriations.

Of late, a number of countries in East Asia are being held up as role models for India in her endeavour to accelerate the pace of economic development. This list of countries includes Japan, China, Korea and Singapore. Were one to analyse their budgetary allocations, it would be quite a revelation. Since they are on a higher economic plateau and enjoy much higher levels of per capita income, public spending in these countries to foster and sustain industrial growth will of course be much higher compared to ours. What, however, rivets attention is the proportion of the aggregate budgetary outlay that is spent on industry; as against our paltry 1 per cent, they

tend to spend as much as 25 to 30 per cent — in some instances, even more — of their budgetary funds for promoting industrial growth.

A perfectly valid case can be mounted against the present government and the party it represents on political grounds, the current tragedy in Kashmir is very much their own handiwork, and a direct consequence of the foolish manner in which a duly elected government in the valley was brought down by New Delhi's machinations in the last week of June, 1984. Kashmir has been rendered into an almost lost cause since then. The immensely greater calamity is, however, that yesterday's folly has now been transformed into an alibi for committing greater follies today. Should economic development screech to a halt in the country because scarce resources are decided to be diverted to defence, and industry and agriculture would hence suffer, much worse tragedies might then wait the nation.

The author is former finance minister of West Bengal and now a Member of Rajya Sabha.

## "A journey to Darjeeling.."

Sir, I congratulate both Mr Zaved Hussain and Shahnoor for their very important and thought provoking letters (A journey to Darjeeling) published in your esteemed daily on May 17 and 20, respectively. I also thank you very much for publishing those letters in your independent and courageous newspaper. In this connection I would like to mention here that many editors do not dare publishing free, frank and open hearted letters, opinions and voice of the people despite 'freedom of press'.

As regards squandering of ill-gotten wealth by some un-patriotic fellow countrymen, we strongly feel that ever since (October 1993) our government has introduced the so-called 'Convertibility', the flight of capital from our country has rather been rampant, reportedly.

Would our Finance Minister

or some in 'authority kindly clarify the matter in the national interest?

O H Kabir  
Dhaka

## Limits of credibility

Sir, The opposition, in principle, by the political opposition parties to the alleged unilateral appointment of the new Election Commissioner by the President (as per existing law), simply because the Opposition was not formally or informally consulted, raises a basic philosophical and ethical issue for debate: what are the limits of application of the 'benefit of doubt' criterion. The boundary line has to be drawn somewhere, so that the issue is not hazy enough for practical application, at national, public or private level.

The current Opposition in Bangladesh is resorting to some novel tactics of protest over issues either transparent

or debatable. Another point worth noting is that issues are being taken out of the election manifesto portfolio, and thrown open for public opinion, outside, and prior to, the election campaign. Such technical juggling is confusing for the lay voters.

It is the responsibility of constitutional experts to enlighten the masses on the implications. The politicians have to play their games at high and low levels, sometimes leaving the spectators dazed over technical jargon exchanged between the warring parties. We ordinary and peace-loving citizens wish our country to progress fast and thereby better our lot. The political leadership is entrusted with steering the ship of the state; but sometimes the SOS distress signals are out of this world. The issue is clear: whether to make it simple, or make it complex.

A Hussain  
Dhaka

## OPINION

### Leaders' Responsibilities

Munira Khan

While going to attend a lecture/discussion meeting on 'the importance of free and fair election', I was caught in a traffic jam of Dhaka city for about half an hour. People in cars, buses, rickshaws, were suffering like in hell in the scorching heat. Some people erected a big pandal on the road for observing death anniversary of a respected political leader. I thought we are really free in this country if not fair! We can always use a public road for holding meetings, gatherings, for observing any special day and what not? Political workers do not hesitate to cause trouble for others by occupying a road and thus stopping the stream of traffic because, I think, they regard the road as such public property as can be used for any political purpose. What I do not understand is, why the political leaders allow their workers to do that? There are many places in the city where they can arrange 'kangali voj', as they call it, to observe a death anniversary or birthday of a popular political leader and also to hold public meetings or religious congregation. There are many orphanages, vacant plots, parks and community centres which they can use for their purposes. Why on a busy road?

Is it to show the popularity of a party or its strength? Why specially the big parties are doing this? I was discussing this with a political party leader who himself was trapped in a traffic jam for some time. He could not complain because his party also is doing the same. But he shifted the responsibility to the party workers. After all it is manifestation of love and respect towards the leader. What they can do!

There comes the big question of leadership in our country. Leaders here are not to lead but to be led. Leaders here talk only those words

which they think people would love to hear, not those which would be useful and beneficial to all. Since liberation we have been hearing the same speeches from the leaders, as if only they love the country, others do not. It is only they who would be able to do good to people, others would fail. It is only they who are honest, others are not. They seem to forget that people have seen all of them in power. When they speak about democracy in a public meeting arranged by their workers, spending a huge amount of money, they forget that they themselves also killed democracy while in power. They forget their own misdeeds and corruption. They regard the people stupid enough to believe in them.

It is true that all the parties have their own cadres and workers who for their own benefit would support the policies, activities and programmes taken by the leaders. But when leaders become national leaders their outlook and thought-process should not be confined only to the benefit of their party. Political leaders are to lead the country towards betterment. At least occasionally, their thinking, their doing should be above party-politics; it should throw light on the thought-process of the people in general. They should teach people to behave responsibly. Their behaviour, their speeches should inspire people to love to work for the prosperity of the country. They should teach people not to live in past but to live for a bright future. They should set example of responsible behaviour above partisan politics. As for example, if one party does allow the workers to block any road even for a good cause, others would follow for improving their own image. If one leader starts campaigning against corruption and means

it, others will have no option but to lend their hand of support.

As the general election is approaching, the leaders should think more and more of their responsibility in the democratic process and its application in every sphere of our national life. If the parties really want a free and fair election and mean business they will have to make an understanding with each other. No rigging, no force should be applied. All the parties should help the administrative machinery to make, say, the identity cards for voters possible. If one party takes the lead and wants an election without spending money beyond limit, others will be compelled to follow it. I was present in Orissa, India, this year while election was going on there. I have not seen a single poster or writings on the wall or big banners of any candidate. I have not seen any transport carrying voters to the polling booth. The voters peacefully came to cast their ballot according to their own choice. No rigging, no force, no party office full of young musclemen on the roads. If the candidates/parties decide not to spend so much money on banners, posters, graffiti and also do not want to spend money on the voters, then the effect will be what it should be, for the respective candidates. But it will have to be a gentleman's commitment, commitment to establish real democratic institutions in the country.

I believe our political leaders would be conscious to think about their own responsibility towards the country and the people more than to condemn others. Somebody will have to come forward and take the real leadership. We have but only one country, our dear motherland Bangladesh, and Bangladeshis are really democratic in mind.