

EC and ID cards

Election Commission has concluded that it cannot go all the way in the ID cards issue. We were afraid that it would. Time is too short — that is the justification. ID cards are now being issued on a selective basis. This paper has been one of the most enthusiastic supporters of the idea of national ID cards. We were keen to push it through before the elections, for the obvious reason that unless completed before, it would never be done. However, we are now confronted with the reality that it cannot be done by the time elections are likely to be held!

The fact that we had only limited time to complete this gigantic task is something that we knew all along. In fact this paper repeatedly raised the issue through this and other columns and warned that time was running out. Yet valuable time was allowed to pass without pushing through the work with requisite speed and vigour that was needed. Now that we are deciding to go for ID cards on a selective basis, we would like to know how large this 'selective area' is likely to be. We have 64,000 villages. How many out of that total will be covered now? Will all urban centres be covered by the proposed 'selected' area? It is perfectly logical to take on a smaller target if the whole thing is too big to handle. But how small will this 'smaller target' be? The reason we raise this issue is because we are afraid that at some stage the whole effort may be dropped, again on the ground that there is not enough time.

We demand that the EC should come out with a clear plan of what it can do now. We are not willing to accept a vague position that ID card project will be cut short because of lack of time. It is our view that there is still time for a majority of our villages to be covered by the ID card programme. We also believe that all urban centres and small towns can be covered. This will bring about 60 to 70 per cent of our population within the purview of this project. Once that is done, there will be enough incentive to cover the whole country.

There is the possibility that unless the EC specifies its target, the ID card project will become smaller and smaller. At the end it will become something of a pilot project. We think that the underlying importance of the ID drive has not been grasped either by the government or by the opposition. Both sides looked at it from political angles and as such missed the social, economic and planning benefits that such a move would bring for us. So what else is new.

G-7 on Bosnian Peace

Unsurprisingly, the fast-worsening Bosnian conflict nearly overshadowed the economic issues at the summit of the Group of Seven, that concluded yesterday at Halifax, Canada. The G-7 nations and Russia attending as an observer, have agreed that a moratorium on the hostilities followed by political negotiations was the only means for bringing peace in the war-torn parts of former Yugoslavia. The appeal was made to all warring parties to resume political talks on the basis of the contact group's proposal. Incidentally, the proposal was rejected by the Bosnian Serbs and accepted by both Bosnian Muslims and Croats. The summiters have also called on Serbian President Slobodan Milosevic, who pressurised the Bosnian Serbs to release UN troops earlier taken hostage, to recognise the government of Bosnia-Herzegovina.

The G-7 leaders' appeals are not likely to add any extra weight — and that is despite their economic and military prowess — to the earlier attempts for peace. In fact, in the past, the North Atlantic Treaty Organisation (NATO) and other board-based fora have failed to convince the Serbs of the need for a negotiated settlement.

Now that the Bosnian government forces have moved to break the Serbian siege on their capital, which is terribly running short of food and other supplies, the G-7 leaders deem fit to appeal to the good sense of the Serbs. Sarajevo, the capital, despite its status as a safe haven only the other day suffered the heaviest shelling of about 35,000 rounds — since the beginning of the conflict.

On a broad plane, leaders are even talking of withdrawing the UN peacekeeping troops. The United States has found itself in a dilemma over the funding of a European rapid reaction force, because of differences of opinion between President Bill Clinton and the Republican-dominated Congress. Once again, disunity among the Western alliance comes to the advantage of the Serbs. The lifting of arms embargo on Bosnia has unfairly been linked to the withdrawal of UN peacekeepers. The attitude is to allow the parties to fight it out after the UN has moved its troops out to safety. Evidently both palliatives and double standards are on ample display there. Unless the West commits its men and resources, there is no possibility of bringing peace in Bosnia.

Food Procurement

The government is relying heavily on imports to build a food stock of 11 lakh MTs for fiscal 1995-96, necessitated by successive crop failures. The IRI-Boro procurement drive has moved at a gingerly pace and the target it had set to locally purchase 3 lakh tonnes may go unmet by a wide margin. As it is, a dislocation in the fertiliser supply in the peak cultivation season may have pre-disposed a reduced harvest limiting procurement prospects. To top it, the prices being offered in this season keep below the production costs which is why the farmers are seeking and getting higher prices in the open market for their produce.

We can quite see that in raising the buffer stock of 11 lakh MTs the proportion of import has to increase beyond the 8 lakh tonnes — reportedly already in our hands — in view of the predictable shortfall in the local purchase of foodgrains.

Yes, we have a comfortable foreign exchange reserve and until now a favourable balance of payment situation to make bold with emergency imports, if and when needed. That's alright — we need it panic. But again taking the easy way out is not necessarily the best way out. Why expend valuable foreign exchange on something which can also be procured internally even within the limitation of a reduced production?

The idea should be to set a realistic target for internal procurement, not on a notional basis but on a reasonably efficient assessment of the crop size, and then go all-out to make a success of it. The basic prerequisite for this is a remunerative price for the growers, a price that would enticingly keep above their cost of production and not burrowed into by middleman. Let's be serious with our internal food procurement drives and beef these up sufficiently with elements of success before undertaking them.

THERE has been a number of promotional seminars, public discussions and popular writings on privatisation over the last two years or so. The most recent seminar was organised by the Dhaka Chamber of Commerce and Industry on June 7th under the title "Capital Market Development and Privatisation" which brought into focus some of the critical problems that the newly instituted Securities and Exchange Commission (SEC) and the Privatisation Board (PB) have been facing. There were opportunities for the senior ministers of the government, business leaders, academics and representatives of the donor agencies to discuss the problems candidly, to exchange views and to suggest probable solutions. In spite of such open discussions in public forum, it seems there is still the need for wider public awareness of various issues and problems associated with the management of the Capital Market and the Privatisation programme of the government. The purpose of this short note, however, is to analyse some of these issues and problems faced in implementing the privatisation programme.

Nature of the Problems

Although there were earlier efforts to sell the State Owned Enterprises (SOEs) through the Disinvestment Board of the Ministry of Industries (DBMI) during 1975-81 and through the Inter-Ministerial Committee on Privatisation (ICOP) during 1986-91 leading to some divestiture, a substantial number of leading SOEs still remained in the public sector. In order to reduce the burden on public sector resources, the newly elected government created the Privatisation Board in March 1993 with the explicit mandate to sell 225 SOEs to the private sector. It was able to sell only four SOEs during 1993 and 1994 and, in addition, was in the process of finalising or closing the deals for another lot of seven over the last five months of the current year. It has a target of selling another lot of seven in 1995 and 41 in 1996.

However, from the number of actual sales over the last two-and-a-quarter years, it can be said that the progress has been slow and rather disappointing. Two or three years' performance, of course, doesn't give a statistical trend, but if it can be taken as a rough guide, it looks like it will take years

THE Eighth SAARC Summit concluded in New Delhi on May 4, 1995. Prior to the Summit, Mr Pronob Mukherjee, Indian Foreign Minister, on 30th April said that regional cooperation was increasingly becoming a dynamic instrument for economic growth and development. He underscored the need and urgency for strengthening regional cooperation among SAARC countries. The Indian Minister of State for External Affairs Mr Salman Khurshid in an exclusive interview with Bangladesh Observer admitted that Farakka and Transit were working as pinpricks and irritants between the two countries and that political efforts were missing in resolving the outstanding issues. On Sharing of the Ganges water, Mr Khurshid said that the issue may come in matter of hours or weeks and would then be resolved. He mentioned that technically, and in substance, there was no reason why both the countries could not come to a conclusion on the issue.

Mr P V Narasimha Rao, Indian Prime Minister, in a press conference after the summit said that he had a meeting with Begum Khaleda Zia on the water issue followed by meeting of the Foreign Ministers of the two countries. He told that detailed discussions would take place at different levels and the issue would be reviewed by them. The Indian Prime

Privatisation: What are the Issues?

by Kabir U Ahmad

The problem began when a huge public sector had to be managed by a small civil service with little or no experience of running industries in addition to its normal duties of running a whole new administration.

before the PB can dispose of all 225 SOEs.

Can the government, or for that matter the country, wait for that long a period to sell these SOEs? The answer clearly is, no, if one understands the financial cost of waiting for such a long period. Recently, the Finance Minister Mr. Saifur Rahman has given out the information in his pre-budget talks that the annual losses of the SOEs come to a staggering figure of Tk 20 billion which the government has to pay from its revenue budget. If this amount of Tk 20 billion is converted into US dollar at the current exchange rate, it comes to \$ 500 million, which is about 2% of the country's current Gross Domestic Product (GDP). Looked at from the point of view of the country's annual aid disbursements in recent years, it comes to about 1/3 of such disbursements. It is unquestionably a huge drainage of the country's scarce resources which can be aptly described as financial bleeding.

How Long Can Such Bleeding Continue?

The simple and straight answer is, not for long. The economy cannot survive with such a heavy bleeding for too long. Like a sick patient, it will simply bleed to death. In such a situation, one should ask oneself what is the point of struggling for achieving 5 per cent GDP growth if 2 per cent of GDP has to be paid out every year to cover the losses of these SOEs? What is the net amount of GDP left for the economy for its survival and growth after covering such financial losses? Wouldn't it be prudent for the society to utilise this Tk 20 billion more profitably elsewhere which would yield net growth of output? Every concerned individual should try to answer these questions and see what he comes out with.

It looks like very few people visualise the gravity of the situation that such a drainage of resources create in the economy. Although it has reached a desperate state, there doesn't seem to be any desperate remedy suggested anywhere.

How was the Country Got into it?

This problem has not cropped up overnight. It came into existence from the day the country was born and was compounded in the subsequent years by other measures. After independence, the new government found itself with an urgent task of taking over and restarting a huge number of industries, tea estates and trading establishments abandoned by their former Pakistani owners. The government nationalised these units immediately. Further, since it emerged from the liberation war with a socialist stance, it also nationalised the large- and medium-sized industries owned by Bangladeshis themselves. The First Five Year Plan claimed that after these nationalisation measures about 84 per cent of the country's industrial units came under the government ownership.

However, the problem began when this huge public sector had to be managed by

a small civil service with little or no experience of running industries in addition to its normal duties of running a whole new administration. It was at this time that the problems were compounded by widespread leakages (eg, pilferage of spare parts and industrial raw materials from the inventory stocks in the initial chaotic stage), by placing a large number of redundant workers and officers on the payroll by politicians and other powerful officers of the government, by adopting the policy of controlled prices of outputs and some selected inputs of industries and trading corporations, and by fixing wages and salaries of workers and executives respectively unrelated to their productivities. On top of all these, there was widespread corruption and break-down of work ethics. The combined effects of all these was a huge escalation of costs and widespread inefficiency in these industries.

It would be useful to briefly touch upon some aspects

of this inefficiency. A recent study of the Asian Development Bank shows that in almost all these industries, there is over-staffing by about 25 per cent of the total workforce. It should be noted that it took place at a time when most of these industries were working at about 35 per cent to 50 per cent of the installed capacities. Some other research results on the industrial sector show that, by and large, industries which utilise their capacities up to about 75 per cent to 80 per cent are profitable while those which utilise only 30 per cent to 50 per cent of their installed capacities are unprofitable. The public sector industries which are utilising only 40 per cent to 50 per cent of their capacities and are over-staffed, simply cannot break-even, let alone make any profit.

The second point to note is that the government was pursuing a policy of price control and transfer price policy in the domestic market while the economy was dependent on foreign trade not

only for earning foreign exchange but also for buying capital goods and industrial inputs and raw materials. It so happened in 1973-74, when due to the first oil price shock, the world outside was going through a commodity price boom. Bangladesh had to buy industrial inputs and raw materials including oil at exorbitant prices which pushed the domestic costs of production way above the officially controlled prices of outputs. The control prices system therefore collapsed. It was at this time that the entire First Five-Year Plan of the country had to be abandoned by the government in less than a year of its launching. The country was in a desperate financial state using up its entire foreign reserves and went to the extent of drawing the second tranche of IMF's stand-by credit.

It should also be remembered that it was at this time, in 1974, that Bangladesh faced a severe famine which led to widespread starvation and deaths. The political and economic consequences of this situation is too painful to recount. However, the SOEs began to incur losses from this time onwards and there was hardly any effort to reverse this trend by streamlining the industries except by returning some of the units to their original Bangladeshi owners in the subsequent period. [To be concluded tomorrow]

The Case of the Missing Driver

IT is only in a melodramatic Hindi film or in a poor Bengali version of the same that the righteous Pita (meaning Dad) announces in unequivocal terms under his shaking hand with the index finger raised high above his head, that his son, if found guilty, shall have to face the law, the court, the punishment. In such tearful occasions, I have always hoped that if wishes were horses, our films would one day come true. The reality is far removed from this celluloid justice.

In truth, justice is so blind that members of our law-enforcing agencies can hardly see in broad daylight. Picture this scenario. Following a road accident in a busy street, the policemen are spot on the scene in no time. The vehicle had been seized, mainly because it was standing absolutely still after the accident. But, the driver managed to come out of his vehicle in front of everyone else and managed to escape without

any disguise. This is routine news in daily papers. If our drivers can vanish in such a jiffy, perhaps they should stop driving and audition for a lead role in Star Trek. Zzzzz!

For several years now there have been quite a few unfortunate cases in which the public have beaten to death persons they have apprehended as suspects of this

and that crime. There cannot be anything more barbaric. But, this attitude of the public has come about because of the over-humanitarian attitude of the police towards criminals caught (often red-handed) by the people. There is always this telephone call asking for the release of such culprits. There is always the offer of this much and bargaining for that much and soon the would be jail-bird is

as free as a bird. If only we stopped pleading for such law-breakers and allowed for justice to be meted out by the courts... well, by then the film would have come true.

On the other side of the coin (pun not intended) there are also cases of the absolutely innocent having languished in our jails for years. Obviously, there was no tele-

ties of the police and the judiciary. Let the law of the land take its natural course. Yes! our courts have a backlog of umpteen thousand cases. But, that is an entirely different issue. Perhaps there should be more courts, perhaps the lengthy court proceedings could be shortened, perhaps some of you have even better ideas. But, for want of all these, there is no reason why a man should employ his political, official or social position to make a request, directly or indirectly, with or without financial strings, for the release of someone suspected of committing a crime.

Coming back to the case of the missing driver, we yearn for the day when our dailies shall gleam with such news that the driver has been arrested but the vehicle is missing. In that case, we shall have a brand new case. Look for the missing vehicle.

N. B. Read also 'woman' wherever 'man' is mentioned above.

Pinch of Salt by Chintito

phone call for them. Evidently, there was nothing on offer. Some NGOs have been doing commendable work in pursuing the release of such helpless victims.

Neptism is favouring a person based on relationship rather than on merit. This is another reason why this country is what it is. If I am a good citizen, if I am half as good as the filmi Pita, I should not interfere with the activi-

Politics of Water: Strained Relations

by Amjad Hossain Khan

The decision on water sharing needs to be taken at the highest political level. Passing on the buck game is not necessary unless of course India wants to delay it further.

Minister did not consider unilateral use of the Ganges water as violation of human rights.

Two Foreign Ministers, of Bangladesh and India, held bilateral discussion on water-sharing which was followed by two rounds of talks by the two Foreign Secretaries on 4th and 5th May, 1995.

Mr Pronob Mukherjee, at the conclusion of the summit, in a press briefing, described the relation between Bangladesh and India as excellent and that effort would be made to make the ties more cordial. On the Ganges water, he said that India wanted to find solution to the problem and mentioned that the two Foreign Secretaries were discussing the water issue.

There are conflicting news on the outcome of talks on water sharing held in New Delhi. The Bangladesh side said that the Indian Prime Minister assured Bangladesh of a solution to the water sharing issue. There was no talk on transit facilities wanted by India. The Indian side, on the other hand, claim that they agreed to talk on water sharing issue at the secretary level which will include transit facilities, sale of gas

and other issues as well. It was also mentioned that the Indian side raised the link canal issue.

Mr Farooq Sobhan, Bangladesh Foreign Secretary, in his press briefing on return from New Delhi on 7 May, 1995, said that the water issue was discussed on its merit without linking it with any other matter.

Mr Pronob Mukherjee, in another press interview with PTI said that the Farakka was a complex problem and that India would take initiative for solution of the Ganges water sharing issue.

In spite of all the good words from the Indian side on the water issue, the third Secretary level meeting in Dhaka has not taken place as yet.

Mr Pronob Mukherjee, in a recent interview with the Times of India has referred to the water problem and said that although there were a number of important issues between the two sides and their priorities, the outlook of India and Bangladesh differs.

Elaborating his point he said that while India considered transit and management of border areas as Indian priority, Bangladesh considered water sharing as its priority.

He further said that Bangladesh wanted to settle the water sharing issue first before taking up other issues.

Mr Pronob Mukherjee is a veteran politician and is involved in this for a long time in various capacities. He is well aware of the history of water sharing issue.

India has shifted its strategy of water sharing from time to time on a long term plan:

• Between 1951 to 1971, the negotiation on water sharing was limited to sharing of the Ganges water at Farakka.

• India, in 1974, assured Bangladesh that before commissioning of the Farakka Barrage, an agreement on sharing of the Ganges water would be reached.

• India commissioned Farakka Barrage in April, 1975 for test running of the Barrage, with concurrence of Bangladesh for a period of 41 days only.

• India continued unilateral withdrawal of the Ganges water at Farakka for three consecutive years.

• India introduced augmentation of the Ganges water contingent on the Ganges water sharing from 1974.

• India refused to consider

Bangladesh's proposal of storage dams in Nepal in spite of agreement inside the letter of 1977 Ganges water agreement.

• India refused to extend the Ganges water agreement after 1988 and is unilaterally withdrawing the water.

• India stopped dry season flows of 40 transboundary rivers/stream.

• India introduced transit facilities along with Ganges water sharing and augmentation in 1994.

During the last SAARC meeting, India claimed that they had released 27,000 cusecs of the Ganges water at Farakka in 1st week of May. During this period Bangladesh received about 14,000 cusecs of water. What happened to the remaining 13,000 cusecs? India and Bangladesh jointly measured a water flow at Farakka and Hardinge Bridge. The technique of Measurement are known to each other. India is also aware that there is no scope to utilise such flows in the area between Farakka and Hardinge Bridge. Why then the Indian side raised this flimsy issue? To divert attention or what?

The water-sharing problem

is discussed and well documented between what is now Bangladesh and India for the last 44 years. The decision on water sharing needs to be taken at the highest political level. Passing on the buck game is not necessary unless of course India wants to delay it further. Politics of water has strained the cordial relation between the two countries for too long.

Past records of India going back on its words cannot be erased overnight. India may have other compulsions up its sleeves. For Bangladesh, water is a life and death issue. If India really wants to improve relations with Bangladesh as the Indian External Affairs Minister Mr Pronob Mukherjee said loudly, then it is time the water sharing issue is solved quickly. Time is running out.

Bangladesh had a serious drought last year which drastically affected its crop production. Bangladesh had to import huge quantity of foodgrains to meet the deficit. The monsoon this year has been delayed. But chances are that there may be good rains in the coming months to get the Aman crops ready. Even if we get enough rains in the monsoon, the threat of Indian withdrawal of water in the coming dry season will loom large. Bangladesh must be ready to handle the situation.

It is time for action, not rhetoric. Time to get united on the water issue.

To the Editor...

HSC exam time-schedule

Sir, We are among the students of Viharunisa Noon College preparing for the ensuring HSC Examinations, 1995. As examinees we have been eagerly waiting for the time-schedule. The Board of Intermediate and Secondary Education, Dhaka has, very recently, released the much awaited time-schedule. But to our utter concern, we have noticed that this time-schedule has failed to ensure justice to all the examinees. Discrepancy could be sharply visible in the case of examinations on Home Economics and Statistics — the two different subjects on the same days. To be more specific, Home Economics paper-I and Statistics

paper-I have been scheduled to be held on 5 August in the morning and in the afternoon, respectively. Again on 6 August, the second papers of these subject are to be held in the same sequence. This has rendered us, particularly those having both Home Economics and Statistics among the combination subjects, concerned and alarmed. We would hardly get adequate breathing space to have last minute checks on our preparations.

Under the circumstances, we appeal to the authorities of the Board of Intermediate and Secondary Education, Dhaka to pay due consideration to the matter and to make suitable adjustments in the time-schedule ensuring

holding of examinations, in Home Economics and Statistics on four different days.

Mozharul Islam  
HSC 1995 Examinees form  
Viharunisa Noon College,  
Dhaka

It is better late than never

Sir, Currently, there has been a development that attracted attention of many. It was a sort of tug-of-war between the government and the BCS (Admn) Association over the transfer of a senior secretary to a post reportedly of a lower rank among other issues.

We, the commoners have been waiting with curiosity

what happens as a result. Both the sides have played their part with the spirit of true bargaining agents as in case of trade unionists. And then things took an abrupt but interesting turn. According to reports, government issued an ultimatum to the effect that it would retire the secretaries and others of BCS (Admn.)

Cadre who had completed 25 years of service and would launch enquiries by the Bureau of Anti-corruption (BAC) into the wealth accumulated by them, if they did not stop the agitation.

The result? The stalwarts kneeled down and the agitation evaporated in air! Government has, however, given some assurances to the Asso-

ciation leaders, most of which may or may not see the light of the day.

Some young officer observed in frustration that movement was not possible by those who built houses in elite areas. But that is a different matter.

It seems that government is in the know that some (or many!) officials are corrupt who have accumulated wealth beyond their known sources of income. Government gave a threat that enquiries by the BAC would be ordered if the agitation continued. The agitation was, however, stopped and the Government has withdrawn the threat. But how could it be a bargaining point on the part of a government claiming to be

democratic and corruption free? There cannot be any concession or compromise on the question of corruption.

We demand that immediate enquiries are initiated against the corrupt civil servants as well as the corrupt ministers and political leaders. Not only that, if proved guilty, they should be punished accordingly and their property confiscated.

We have seen enough of games and no more please. Let the government act boldly for the sake of mute millions, if it is not hypocrite and corrupt itself.

It is better late than never.  
Md. Azizur Rahman  
Ullaha, Dhaka