

## Close Look at Flooding

While giving news of the flash flood in Bangladesh the BBC World Service Television yesterday took a broad view of the situation. Quite appropriately, it seems, the newscaster had headlined it as something of a South Asian phenomenon. By a happy coincidence, we carried a box item in the front-page of our newspaper on the same day under the title "drainage congestion caused early floods" which put across a similar message as the BBC. Only that a newspaper has the advantage of space to be more detailed.

It is common knowledge that cascading rain water from the northeastern region of India coupled with heavy downpour inside the country, induced by the monsoonal depression in the sea, causes early floods in Bangladesh. But some dreadful features this time around have been: (a) the downpour inside the country has been the heaviest in thirty years with the first 19 days of the month of June having had the rainfall of the whole month; (b) the northeasterly direction of the monsoon depression's path in contrast to the northwesterly one as in last year gave not only Bangladesh its heavy showers, Assam, Mizoram and parts of West Bengal also have had incessant rains. The free-falling waters from the upstream therefore could not race through Bangladesh whose major rivers themselves having been in spate due to the rains created a highly obstructive and inundating drainage congestion.

The picture is already extremely grave, let alone the possibility that the Ganges basin could rise in August-September when it usually experiences heavy rainfall. The Brahmaputra has already been put in a spate and will be vulnerable in August and September too. Should the two river basins swell in conjunction with the Meghna basin we could have a flood of the magnitude of 1988.

The phenomenon of much too heavy a downpour within a short spell of time is not a freaky one. It is the result of climatic aberration that scientists must address in a long-term perspective. What, however, lies within our powers to do, on a regional basis, is to stop the indiscriminate felling of trees to effectively contain the wild run-off of waters and soak up rain-fed clouds. Internally, we need dredging up our channels and having loops across them, where necessary.

## Football Furore

Emotion is at its feverish-pitch when Mohammedan Sporting Club and Abahani Krira Chakra, two most popular football clubs, fight for supremacy. When it comes to contesting for a title, pulsating thrill and gripping tension become simply overwhelming. Wednesday's encounter was no exception. Mohammedans who went empty-handed last year seem to be on a mission. They have already beaten their great rivals three times including their triumph in the year's curtain-raiser DMFA Cup. By local standards, Abahani is a strong team and prevailing over them on three occasions makes the Mohammedans' victory even sweeter.

The fact that the regular proceedings plus the extra 30 minutes failed to produce any result testifies that the game was evenly fought if it was not one of the most exciting encounters between the two soccer giants. However the game had its own share of thrills because of the application of FIFA's new rule of sudden death goal. If there was some lacking in the regular and extra time, it was duly made up for by the penalty shoot-outs. When both sides made it four-four out of five, the real drama began. Abahani got the first goal in the sudden death penalty shots, Mohammedans made it one-one. Then came the heart-throbbing moment as Mohammedans' custodian stopped a shot. Now the fate of the game depended on the kick Mohammedans' captain was going to take. He sent the ball into the net and the black and white came victorious.

Apart from one unsporting incident, the game was fought in a good spirit. While this pleases us greatly, our enthusiasm gets tempered with if we take into consideration the level of our footballing prowess as against our neighbours'. Our failure in the South Asian Federation (SAF) football now haunts us like an unforgiving phobia. But once we started beating the region's soccer superpower India. Today smaller countries like Nepal and Sri Lanka have improved their footballing quality to match and even beat the best of South Asian soccer. Our submission has been pathetic. Our emergence as a regional football giant has been exposed nowhere more glaringly than by the region's once-minnows. We must seriously attempt to attain a soccer status rivaling the Asian best.

## Minimising Hijacking Risk

The hijacking drama concerning a Japanese domestic airliner has happily come to an end. Of the 365 people on board, only one passenger received injury. Still, as long as 15 hours of agonising experience had passed before the lone hijacker could be overpowered by the Japanese police. The trauma the passengers had to go through was certainly uncalculated. But still the victims must thank their stars for not being subjected to even a worse fate. The credit certainly goes to the Japanese police. But even their performance is likely to be paler if compared to the sophisticated screening of passengers at the airport.

As criminals are inventing newer devices and ploys, airports around the world are also being equipped with modern and powerful machines or detectors that minimise the risk of frisking a dangerous weapon to an aircraft. Indeed, such a sense of security is essential for the travelling people anywhere in the world.

How does our own international airport fare in comparison with the best-managed ones in countries like Japan? The answer is not likely to be flattering to the airport authority in Dhaka. Passengers here would also like to see high security standards scrupulously maintained at our international airport.

**C**ENTRAL Home Ministry is now squeamish about releasing figures of crime in India. The ministry's annual report carried them till a few years ago when some overcautious Home Secretary felt their publication was a bad publicity. Since the right had of government is not aware of what the left hand does, the ministry's Bureau of Police Research has come out with a study, which analyses the crime data for four decades, from 1951 to 1991. The year 1992, when the Babri Masjid was demolished, has been specially included to assess the incidence of communal riots.

The conclusions of the study are devastating. Crime has been going up by 4.6 per cent, while the population by 2.3 per cent. There is a distinct spurt in organised violence, characterised by an increase in communal riots and terrorist incidents. Caste warfare is spreading, and insurgents are finding new areas for militancy.

The pattern of offences is also changing. White collar crime is more noticeable than in the past. The younger age group is claiming attention through excessive use of firearms and explosives. And female criminality is rising at a much faster rate than male criminality.

"An utter lack of human sensitivity has been noticed in communal violence in the recent past," says the study. The maximum number of communal incidents, as many as 1,536, were recorded in 1992 alone following the destruction of the Babri Masjid. Nearly 2,000 people were killed and 13,500 injured. "There was an unprecedented spread of riots simultaneously all over the country," says the

**F**OR centuries, economists have been trying to answer questions about what determines economic growth and to make predictions about the future. Malthus, in the late eighteenth century, predicted that expanding population growth combined with limited resources and declining productivity would result in only a subsistence income. Certainly, in the slowly growing agrarian era in which Malthus lived, it would have seemed impossible for the land to provide for everyone with unbounded plenitude. However, with the technological advances in the latest century, it is difficult to be pessimistic. New products appear to beget other products, so technology seems to be advancing at ever-increasing rates. Technological progress, however, is what ultimately determines growth, and growth determines whether our grandchildren will have better lives than ours.

Growth is a complicated process, but the main theories of economic growth are conceptually simple. There are basically two categories of economic growth theories — those based on the traditional Solow (1956) growth model and those based on the concept of endogenous growth. The Solow (Robert Solow, a Nobel laureate) model emphasizes capital accumulation and exogenous rates of change in population and technological progress. This model predicts that all market-based economies will eventually reach the same constant growth rate if they have the same rate of technological progress and population growth. Moreover, the model assumes that the long-run rate of growth is out of the reach of policy makers.

The recent proliferation of endogenous growth models began with the work of Paul Romer (1986) who observed that traditional theory fail to reconcile its predictions with the empirical observations that, over the long run, countries appear to have accelerating growth rates and, among countries, growth differ substantially.

Endogenous growth theories

## To the Editor...

### Govt service: Extension and contract

Sir, It is indeed with profound disappointment and anguish we came to know that the Government is providing extension contracts to some senior officials after their retirement. It might have been observed that over the past two or three years there has been a continuous, arbitrary, and indiscriminate provision of such contracts. In this respect we would like to highlight the following points:

1) The provision of contract/extension of service in any form beyond the limit of retirement age causes disequilibrium in the balance of functioning of government machinery. Furthermore, it causes discontent, dissatisfaction among the members of the cadre services and adversely affects their morale.

2) Provision of contract may be treated as a rare and special phenomenon for exceptionally outstanding officers.

# Crime and Punishment in India

The pattern of offences is also changing. White collar crime is more noticeable than in the past. The younger age group is claiming attention through excessive use of firearms and explosives. And female criminality is rising at a much faster rate than male criminality.

Besides the known sensitive areas, new pockets of communal violence have emerged in many states like Uttar Pradesh, Bihar, Maharashtra, Karnataka, Tamil Nadu and Assam. Communal violence has spread even to rural areas, which were earlier unaffected. "The spread of communal violence into the rural areas deserves notice because of the thin police cover on the ground in most of such areas," says the study.

The analysis shows that the '70s was comparatively a more peaceful decade insofar as communal violence is concerned. The annual number of incidents was around 250, averaging a toll of 118. The '80s saw an abnormal rise, the average of incidents in a year going up to 665 and killings to 545. Only recently has the communal situation in the country taken a turn for the worse.

A consistently increasing trend in crime during the five-year period, from the beginning of 1988 to the end of 1992 was reported only from three states and one Union Territory, Gujarat, Rajasthan, Uttar Pradesh and Delhi. The crime increased by 46 per cent from 87,732 in 1988 to 1,28,155 in 1992 in Gujarat, from 88,146 to 1,23,426 in Rajasthan (40 per cent), 1,60,253 to 2,16,339 in UP (35 per cent) and from 28,013 to 36,302 in Delhi (29.6 per cent) during this period.

Almost all violent crimes have shown an upward trend.

For instance, the incidence of murder increased from 28,771 in 1988 to 40,105 in 1992 (+39.4 per cent), dacoity by 21.5 per cent, robbery by 22.4 per cent, kidnapping and abduction by 30.1 per cent and rape by 28.7 per cent. The highest increase was registered under the head "attempt to commit murder" (50.8 per cent).

Equally disconcerting has been the rise in white-collar crime. The noticeable increase is from 1991 when the

Andhra Pradesh and Bihar accounted for about 80 per cent of cases. The casualty resulting from such incidents is, however, mounting in each successive year.

One would have thought that over the years, the government must have doubled its fight against crime. But this is not true. The analysis has revealed that both police and the courts have been rather poor in either pursuing or disposing of criminal cases. The percentage of cases

criminal investigation is lack of effective supervision. The National Police Commission's recommendations, rejected by Mrs Indira Gandhi on the ground that the Commission was set up by the Janata Government in the wake of the emergency excesses, pointed out that "adequate interest" in investigation would improve public satisfaction. It wanted officer's career advancement to be linked with the quantum and quality of supervisory work done.

Training of police, overhauling of the judicial system and preventing political interference may help. But crime cannot be controlled without public cooperation and participation. This has not been forthcoming because there is increasing feeling that the government is itself responsible for criminalisation and uses musclemen and thugs for political ends. Neither the rulers nor the police engaged in curbing crime evoke credibility.

In the face of all this, the loss of public confidence in the government machinery for law and order is natural. Failure to prevent crime is bad enough but ineffectiveness of the agencies dealing with it is a sad commentary on the governance, at the Centre and in the States. The criminal justice department is virtually on the verge of collapse. The worse is that the feeling is shared not only by public and experts but also by the functionaries of the system operating at various

levels. The real problem is that both the society and the instruments of power have not come up to the standards which were expected from them. It was hoped that the virus of communalism and casteism dividing the Indian society would meet its eventual end once the modern and liberal institutions and value systems take roots. Now politicians and their mafias have taken over. Religion and caste have emerged as stronger dividing forces.

"The politics of vote banks has led to criminalisation of political life," says the study. "There has been increasing use of money and muscle to enter into the corridors of power and to remain there. The criminalisation of politics is responsible to a great extent for intensification of violence, besides contributing to ineffectiveness of the criminal justice system in controlling it because of direct as well as indirect interferences in day-to-day working of the system."

Where do we go from here? The 1996 parliamentary election is too important to be left to the mafia, money and musclemen. The Election Commission is a help in a small way. It is for political parties to introspect. Every conceivable fraud or violence is attributed to them. The nation can neither do with them nor without them. A democratic polity has to have political parties. Were they to follow a code of conduct they might reduce the incidence of crime and violence in the country and strengthen the institutions and value systems. Otherwise, the writing on the wall is there for all to read.

## BETWEEN THE LINES

Kuldip Nayar writes from New Delhi

Narasimha Rao government started liberalising its economic policy. Cases of cheating and counterfeiting were nearly 50,000 in 1991 and they jumped to 52,500 in 1992. Gujarat, UP, Maharashtra and Rajasthan, in that order, account for two-thirds of the incidents.

White-collar crime is probably in no way linked with the Naxalites' violence. Yet there has been both vertical and horizontal expansion of extreme left wing movement. It has spread from about the year 1988 to several districts in states like Andhra Pradesh, Bihar, Maharashtra, Madhya Pradesh and Orissa. The total number of incidents increased from 901 in 1989 to 1,682 in 1990 and to 1,876 in 1991.

pending investigation increased to 36.2 per cent for murder, 51.3 per cent for dacoity, 30.9 per cent for rape and 29.5 per cent for riots. In terms of numbers, the police were yet to investigate 7,25,115 cases at the end of 1992. That comes to 73.5 per cent.

Besides an increase in pendency of criminal cases under investigation as well as under trial, a large number of cases of crime remained undetected and the rate of conviction kept on consistently declining. "A large number of persons, including those involved in heinous crime, were being released on bail," says the study.

One of the reasons for deterioration in the quality of

## Economic Growth and Government Policy

# The Theories: Technological Progress

by Dr Kabir Hassan and Aminur Rahman

ries are based on the idea that long run growth is determined by economic incentives. The most popular models of this type maintain that inventions are intentional and generate technological spillovers that lower the cost of future innovations. Naturally, in these models an educated work force plays a special role in determining the rate of technological innovation and long-run growth.

The traditional growth model advanced by Robert Solow is perhaps the most famous one. The key idea of this framework is that growth is caused by capital accumulation and autonomous technological change. In this growth model, where technological progress is exogenous, income will rise with the level of physical or human capital (accumulated human knowledge), but the rise will not generate ever-increasing growth rates. Skilled workers increase the level of income, just like any other productive factor, but they do not increase growth in the long run because technological progress does not depend on the presence of a skilled work force.

The basic conclusion of the Solow growth model is that the rate of growth of the economy in the long run simply equals the rate of growth in the labour force plus the rate of exogenously determined technological progress. It is important to note that the rate of savings affects only the level of GDP, not the long-run rate of growth. A larger rate of savings will cause the rate of growth to increase temporarily because greater capital accumulation has increased the productivity of labour and the level of GDP. But in the long run, the rate of growth will settle down to the rate of change in the labour force plus the rate of technological progress. The Solow model

implies that if rates of growth differ among countries, it is only because the countries are at different stages of movement toward the steady state. Rich countries should grow at a slower pace than poor ones; accordingly, over time, the per capita incomes of the rich and the poor countries should converge.

The Solow model suffers from its assumption that technological progress is not explained by economic forces. However, while the Solow model is silent on the mechanism of technological progress, some recently developed endogenous growth models have attempted to articulate the economic process behind technological development. Joseph Schumpeter (1950) and Jacob Schmookler (1966) have argued forcefully that technological progress takes place because innovators find it profitable to discover new ways of doing things. Technological progress does not just happen as a result of disinterested scientists operating outside the profit sector. Rather, the incentive is to make a profit.

The implication is that productivity growth might be related to the structure and policies followed by the economy, rather than to the exogenous forces of nature and luck. If growth is endogenous, we would expect to find a wide variation in the rates of growth of different nations, with no apparent correlation with their levels of per capita income.

Research and development are carried out to make a profit on a new product. But every new product adds to the stock of human knowledge, so the cost of innovation falls as knowledge accumulates. To use an old metaphor, we stand on the shoulders of those who precede us. Obviously, the car required the prior invention of the wheel and the gasoline

engine. Some recently developed endogenous growth models have tried to capture the process behind the introduction of new products. The cost of innovation falls as the level of human knowledge increases. As opposed to the Solow model, there are no diminishing returns to capital when other factors are held constant; so, raising the level of capital can lead to ever-increasing growth rates. Therefore, income growth will tend always to be faster among countries that have a relatively large stock of capital, a large educated population, or an economic environment that is favourable to the accumulation of human knowledge.

A stark prediction of the Solow model is that countries with similar preferences and access to the same pool of technology should eventually reach the same per capita income level. Consequently, poor nations will tend to grow faster than richer nations until their income levels catch up with, or converge to, the income levels of rich countries. In contrast to the Solow model, the endogenous growth model makes no such predictions. The model allows for the possibility that countries that start off richer and have more resources, such as human or physical capital, may always be ahead of less developed countries.

If one uses market exchange rates to convert official GDP statistics into a common currency, the poorest 60 per cent of the world's nations received only about 5 per cent of the world's income in 1988, down from about 10 per cent in 1960. It appears that the poor countries are losing out. But the cost of living in poor countries is lower than in rich countries. To correct for this difference, it is necessary to

ing convergence with the rich nations.

Another way of determining the degree to which incomes are converging across countries is to observe the relationship between growth rates and levels of income. If income levels of countries tend to converge, poor countries should grow faster than richer countries as they catch up to reach the higher level of income. If we examine the relationship of income levels in 1960 and economic growth between 1960 and 1985, holding human capital constant, we find that the poor countries appear to be catching up with the rich countries.

Although income convergence conditional on human capital and other variables has been used as evidence against endogenous growth theory (Mankiw, Romer, and Weil 1992), it is not necessarily inconsistent. We pointed out earlier that endogenous growth theory suggests that countries with higher levels of education (human capital) might provide greater incentives for invention and, therefore, much higher rates of growth. But holding human capital constant, endogenous growth theory may also predict convergence.

This analysis may be misleading, however, because changes in income shares are highly sensitive to how one defines income classes. If one compares the richest 10 per cent of countries with the poorest 10 per cent of countries, convergence does not appear to be taking place. Generally, the middle-income countries, which are sometimes grouped with the very poor countries, are experienc-

Dr Kabir Hassan teaches summer school at North South University, Dhaka and Aminur Rahman is Associate Professor of Economics at Independent University, Dhaka

## OPINION

### Nemesis for Uncle Sam

A Husnain

One God is Ok, but not one superpower in the world of humans. Contrast Iraq and Bosnia, and the treatment of the white civilized man (Western civilization) to the Muslims everywhere in the world.

Why there are no 1000-bomber daily raids on the insulating Bosnian Serbs, who are bent on the revenge of history for the Ottoman rule of the Balkans for several centuries? Why the "war" there cannot be finished within a week as it happened in Iraq?

Successful rich and industrialized nations cannot be that indecisive and impotent! Language was given to man to conceal his thoughts. Why so much priority on the use of child labour in the poor countries? It all sounds so silly and absurd. The silliest argument is: we have 10,000 atom bombs, you can't have any!

The Europeans are supposed to keep their house in order, hence Uncle Sam is dilly-dallying with the punitive measures on the genocide going on in the Balkans. The problem in Bosnia is the responsibility of the UN, EC or the only superpower? These three rulers of the world cannot come to a consensus, perhaps deliberately because the protection of the Muslims within Europe is involved.

The issue is crystal clear: not to allow the formation of an independent Muslim (majority) state in Europe. One learns or unlearns from history do not allow any more foothold to the Muslims in Europe. The next crusade is not far off, and the ousting of the current president of the superpower during the next presidential election (lousy handling of international affairs) appears to be a foregone

conclusion. Bob Dole has to dole out stern measures to save the world from US 'tyranny'!

Today the USA has poor relations with the EC, Japan, China, N Korea, Pakistan, Malaysia, Asean, Cuba, Somalia, Iran, Russia, and a host of Middle Eastern and other countries. Where she is right, the purpose is to protect the so-called American interests which the world does not understand! Only to protect her self-absorption with some obsessions, she is doing out concessions to some favoured nations.

There is a cunning plan to keep the Muslim nations divided by the western imperialists. Israel will always be protected as the US is controlled by the Jews (these are not secrets being revealed). The failure of the American foreign policy is astounding, not expected from a superpower.

Who are responsible for eroding the operating capacity of the United Nations? Not the Muslims and the DCs and the LDCs! What the permanent members of the UNSC are doing or undoing? Why the UN is breaking up!

The initial operation of the fundamentalist groups in Japan and the USA (two of the richest nations today) is not a flash in the pan, but the beginning of the end it will take some time to see the erosive effect! Now Uncle Sam's terrorists are operating from the home base and they the citizens of the USA, an irony which has not gone unnoticed. These are the private views of a citizen of the world, so the government of Bangladesh may not be singled out for disciplinary action.

tecting national interest.

Not as government officials but as conscious nationals we demand an immediate end to the provision of contract or extension, and cancellation of all contracts provided till now.

Shibly Chowdhury, Naznin Akther Parul, Asif Ali Lalmaria, Dhaka

### Bangladesh on CNN

Sir, The picture of Bangladesh in the recent 'Sights and Sounds' programme of CNN has not really focused the features which can represent Bangladesh. The 'Sights and Sounds' must have an impact on the viewers, rather than dismaying them.

I think the audio-visual presentation of any particular country in the programme need to be given a better judgement before telecasting so that its true features and traditions are not misrepresented or left out.

Motius Samad Chowdhury, Phulatala Tea Estate, Sylhet