

Dhaka elected to WFP Executive Board

Bangladesh was elected Friday to the Executive Board of the World Food Programme (WFP) for a two-year term beginning next year by the WFP member nations at the ongoing council meeting of the UN Food and Agriculture Organisation (FAO) in Rome, reports BSS.

The earlier committee on food aid policies and programmes was recently reconstituted and named the Executive Board of the World Food Programme in accordance with a resolution adopted by the 28th session of FAO held in Rome on October 31.

Bangladesh polled 32 votes in a straight contest with Syria which got 16 votes, a message from Rome said.

Syria, was, therefore, elected for a one-year term for 1996.

Australia, Albania, Algeria, Brazil, Burkina Faso, Burundi, Canada, China, Cuba, El Salvador, France, Haiti, Germany, the Netherlands, Nigeria and the USA, were the other members to the 18-member executive board of WFP elected by the FAO council.

Thailand plans to maintain strong economic growth

BANGKOK, Nov 4: Thailand plans to maintain its annual economic growth rate at eight per cent in the period 1997-2001 in order to prevent the economy from overheating, Deputy Prime Minister Amnuay Virawan said, reports AFP.

"We have to sacrifice a little bit of economic growth in order to stabilise our economy," Amnuay told a news conference held to review the government's performance in its first three months of office.

Tk 1.71 cr penalties realised from manpower recruiting agencies

The government realised Tk 17.191.100 in penalties from offending manpower recruitment agencies and 716 complaints against them were settled in last 10 months, the Ministry of Labour and Manpower explained to a parliamentary standing committee today, reports BSS.

The ministry apprised the committee that licences of eight recruiting agencies were cancelled this year and 31 licences were cancelled last year for various offences committed by them.

It explained to the Parliamentary Standing Committee on The Ministry of Labour and Manpower the steps taken by the government to streamline the flow of manpower export.

It also explained the steps taken particularly to streamline manpower export to

Malaysia at less cost and to ensure the quality of jobs and security to the workers going on employment to the South East Asian country under the newly introduced government to government system of handling the matter.

The ministry also apprised the committee, at its 31st meeting held at the Jatiya Sangsad Bhawan, that "strict measures" had been taken to curb a trend of illegal influx of manpower to foreign countries to sustain national image.

It said that it was one of the reasons for "a slight fall" in manpower export in recent months.

The parliamentary committee reviewed the activities and programmes of the Labour and Manpower Ministry.

Committee members, Khaleda Rabhani, MP, and

Helaluzzaman Talukder, MP, attended the meeting chaired by the Minister for Labour and Manpower Mir Shaukat Ali.

Senior officials of the Ministry and the Manpower Bureau were present.

7.13 pc rise in remittance

UNB says: A total of taka three thousand six hundred forty three crore were earned as remittance by Bangladeshi workers abroad during the first ten months till October this year which is 7.13 per cent higher than that earned during the same period last year.

This was disclosed at the meeting which was also informed that one lakh fifty six thousand two hundred fifteen workers were provided with job in different countries during this period

(January to October 1995) which is 2.68% higher than the number of workers sent during the same period last year.

IFC executive starts Bangladesh visit today

IFC Asia Department Director Peter Cook will visit Bangladesh from November 5 to 9, says a press release.

Cook, on his first visit to Bangladesh after joining IFC a few months back, will meet with key government officials, chambers and IFC present and future clients. He will also visit Chittagong.

He will be accompanied by Denise Leonard, chief of South Asia Regional Mission, New Delhi and Geoffrey Hawkins, Senior Investment Officer, New Delhi.



Obaidur Rahman Khan (L), Executive Director of Transcom Electronics Ltd, yesterday handing over a Philips Colour TV set to Md Salauddin (2nd-R) and AKM Mohsin (R), President and General Secretary respectively of the Bangladesh Photo Journalists' Association, for the Association office. Atiqur Rahman (2nd-L), Director, Altaf Hossain, Consumer Electronics Manager, and Rizwana Nazrul, Communications Manager, are also seen. — Star photo

Daiwa crisis another blow to Japanese banking sector

TOKYO, Nov 4: A decade ago, Japan's banks were the titans of the global economy, rich with cash and of granite credibility, reports AFP.

Those sober-suited men of Tokyo sat as pharaohs to those who sought investment capital - and just like the Egyptian kings of old, built empires and glittering real estate to gild their balance sheets.

Today, the crisis that has hit Daiwa Bank Ltd brutally shows the humbling of Japan's banks since the glory days.

Overnight Thursday, Daiwa, one of Japan's top 21 banks, found itself with a pariah status in the United States to challenge that of

the disgraced Bank of Credit and Commerce International (BCCI).

In an unprecedented move, the US authorities ordered it to shut down all its American operations following the discovery of a massive 1.1-billion-dollar bond fraud, extending over 11 years, at Daiwa's New York Branch.

Finance ministry spokesman Yukio Yoshimura confirmed Friday that it was the first time that any foreign bank had been ordered to shut down all operations in the United States.

But he adamantly refused to criticise the severity of the measure, saying the decision was the affair of the US au-

thorities, and was "based on their laws and regulations".

When the scandal broke last month, Daiwa quickly pinned the blame on a single man, Toshihide Iguchi, 44-year-old Vice President of the New York branch.

But US investigators now say they have uncovered evidence of systematic misdeeds at senior level in Daiwa, accusing managers of setting up dual books, regularly lying to the authorities to cover up Iguchi's act and - an even worse offence - of obstructing inquiries.

Daiwa faces 24 charges of misconduct that could cost the bank an additional 1.3 billion dollars in fines if they are proven.

Bio-fertilizer course in Rajshahi ends

MYMENSINGH, Nov 4: A month-long training course on bio-fertilizer for lentil and bean type crops ended at Paba in Rajshahi district on Monday, reports UNB.

The instructor-level course was organised jointly by the Directorate of Agricultural Extension (DAE) and Bangladesh Institute of Nuclear Agriculture (BINA).

International Atomic Energy Association (IAEA) financed the course in which 560 agriculture officials and extension workers and 20 instructors from 20 districts were trained up.

The training was conducted in 9 Zonal Centres at Dhaka, Mymensingh, Kishoregonj, Comilla, Chittagong, Rangpur, Kushtia, Rajshahi and at BINA.

World grain prices climb 40pc this year

WASHINGTON, Nov 4: Food security will outrank military security in parts of the world in coming years because of tight food supplies and rising prices, the head of the think tank Worldwatch Institute said, reports Reuter.

Grain prices have climbed 30 to 40 per cent this year. Further increases are likely, said Worldwatch President Lester Brown, because consumption has outrun harvests for three years.

The world grain stockpile was projected to be the smallest in 20 years, about 235 million metric tons, before the 1996 harvest begins.

"We could even see off-the-chart price rises," Brown said at a news conference in which he said short and long-term prospects did not

favour a boom in world grain supplies.

Brown declined to speculate how high prices could go.

During the news conference and in an 11-page article in the think tank's magazine, he predicted an era of food scarcity that would focus attention on securing an adequate food supply.

"Food prices rising out of control could trigger not only economic instability but widespread political upheaval," he wrote, after warning that "food scarcity could bring into question the legitimacy of numerous national governments" that failed to assure adequate food for their populations.

Pasta may be useful in battling malnutrition

ROME, Nov 4: Pasta could be useful in battling Third World malnutrition while also stemming the spread of obesity in industrialised nations, according to participants at the first world pasta congress staged here, reports AFP.

Easy to keep and cook, pasta adapts well to the eating habits of very different peoples and would play a full part in food aid schemes, said Francesco Stirppli of the World Food Programme, which currently supplies about 60 million people with grain, flour, cooking oil and beans for their survival.

The programme comes under the UN Food and Agriculture Organisation.

Bangladesh Agriculture in the 21st Century

Special Supplement
Continued from page 9

Some Management and Technical Considerations for a Diversified Agricultural Growth in the 21st Century

by MSU Chowdhury

AGRICULTURE is, and will remain in the coming decades, the backbone of the economy and food security of Bangladesh. Practical reforms and policy changes will at best see a change in the operation of agricultural production, say for example, in the generation of commercial ventures. Of course, policy reforms or adjustments do take time. The consequences of failures to provide sufficient time for adjustment to reforms does not require any explanation, except that as a result the farming community and the successor farmers of the country will see agriculture as a non-profitable, volatile and undependable venture.

The cropping pattern of Bangladesh has changed as a result of the influence of the Green Revolution. The HYV rice and wheat had significant impact on production. Instead of a worrying trend of stagnation of yields of HYV rice and wheat, the country had achieved self-sufficiency in foodgrain production in 1992-93. Such an achievement was made possible by policy support for expansion of minor irrigation and distribution of fertilisers, the two major inputs besides provisions of seeds and credits for HYV technology adoption by farmers. However, such concentration on HYV rice and the interest of farmers in irrigated Boro rice cultivation has affected the production of some Rabi crops, specially oilseeds and pulses. Such competition on land resources which are shrinking will continue to persist and horizontal expansion of any crop is not likely to be achieved.

The ten agricultural research institutes under the umbrella of BARC cover cereals, cash crops, vegetables and fruits, fisheries, livestock and forestry. The major focus of agricultural research was on rice and wheat, specially to establish HYV in collaboration with the International Rice Research Institute (IRRI) and International Centre for Research on Maize and Wheat (CIMMYT). Potatoes and tuber crops also received some attention. But research on horticultural crops, jute, tea and sugarcane did not receive priority. Research priorities seemed to concentrate on higher yield goal, rather than technological package for sustainable and integrated agricultural

development.

Research management and technology adoption for a sustainable diversified agriculture will be important elements in agricultural research in Bangladesh. An efficient planning process for a more productive and market-driven agricultural technology will be a formidable task for the Bangladesh national agricultural research system (NARS). For a market driven technological research to be effective, farm-level experiment stations will have to be developed and strengthened. Moreover, research institutes supported by farmers organisations, industry and the private sector must come up with an agenda for adding to the food bowl of Bangladesh or for export earnings.

The 21st century is likely to begin with the foodgrain shortage that the country is experiencing. Extensive farmers' training in production management technologies is a must for reducing the gap between the potential yield and actual yield. Sustainable hybrid technology must be adopted from now on, so that by the year 2000 some impact will be visible.

Bangladesh agriculture, if to be market driven, should concentrate on specialty areas, e.g. for rice more attention should be given in producing aromatic rice such as Kalijira, Chingira, Kataribhog, etc. Integrated production and processing systems must be developed for horticultural crops.

Fisheries research will take into account technologies for culture fisheries. Livestock research will concentrate on nutrition, disease control, stall feeding technologies for small ruminants and improvements of breeds. Providing services to the private sector, particularly by BLRI, can also be seen as an important area of demand driven research.

In the 21st century plans and investments in agricultural research and development should produce public goods to reach each individual. If the public goods do not reach the individuals, the strong social and economic influences of open market

economy will benefit the stronger section of the community since the condition of the poorer people will not allow them to succeed in the competitive market.

The research system in Bangladesh had always been accountable. Accountability of every scientist is recorded at the end of each year. Periodic evaluation of the system or a particular institute had been substantial. What really was absent is the implementation of key recommendations. This did not take place because of the complexity of implementation procedures.

Research and extension should be funded on the basis of set and justified priorities.

Major Areas of Concern in the Future

Unless the following

Funds for priority programmes should be adequately made available. This means a reversal of the present practice of institutional allocation on which the activities are drawn up. In most cases under the present system funds for operation and experimentation are so low that the efforts can not be expected to be result oriented. The situation can be improved by a programme budgeting system along with a core establishment budget.

essential requirements are met the food and nutrition situation in Bangladesh is not likely to make any break through in future.

Decentralisation of power to development ministries with no hookups for delays.

Fully autonomous, self-governing NARS is a must to achieve any substantial gains in agricultural technology.

Integration of efforts by various agencies across various ministries by transforming NARS into the National Agricultural Research and Extension System (NARES) with Bangladesh Agricultural

Research and Extension Council (BAREC) as the apex body for unified effort for technology generation and adoption. This could be seen as the only effective system of planning, funding, coordination and marketing of agricultural produce.

Regionalisation of agricultural research and technology development and dissemination will lead to farmer responsive research results.

Similarly, insolation of research investment under BAREC for commercial crops including exportable varieties of cereals will have to be initiated as soon as the country wishes to enter into com-

mercial ventures and promote private sector investment.

Hybrid technology will give more food from a shrinking land resource base. IPNS, IPM and similar other emerging technologies will be immediately harnessed.

Universities and colleges engaged in agricultural education and research will require suitable revision of curricula.

More accountable NGO initiative is a must in the 21st century. NGO initiative should be processing and marketing oriented.

A broad policy of marketing would be to encourage the poorer community to eat

more fruits and vegetables for better nutrition.

Genetic diversity and genetic resource conservation should get direct support from the international centres (gene banks) and agencies.

Documentation of output of every effort must be a requirement. Till now this is the weakest. Similarly, computerised information management must be a skill owned within the country.

GOB, UN agencies and donors should review their lengthy procedure of project approval. Any project or programme taking more than a year and a half for approval and implementation should be replaced with new priority programmes or projects.

The author is the Executive Vice Chairman of the Bangladesh Agricultural Research Council

Bangladesh: Rural Finance in the 21st Century

by Imtiazuddin Ahmad and Madhur Gautam

cant role in various facets of rural life. The informal financial markets, however, continue to be segmented.

Measures

As the rural sector becomes more dynamic, it will need a more effective and integrated system of financial intermediation. There are several key measures that need to be adopted to make such a system a reality:

Institutional autonomy: The formal system should not be used for political purposes or as a conduit for social transfers. This requires granting full and irrevocable autonomy to the banks in conducting their business without interference at any level.

Legal and regulatory environment: The legal and regulatory environment is not conducive to the efficient functioning of the rural financial markets. It is essential to (a) improve the legal system for loan recovery, (b) improve the framework for expeditious recovery of collateral; (c) create a more efficient legal and regulatory framework for secured transactions (e.g. loans against accounts receivables); and (d) reduce the costs and improve the functioning of public reg-

istry.

Integration of the financial system: Formal and semi-formal sector linkages will increase outreach to those who do not have access to credit. There are potential benefits to exploiting the comparative advantages of each sector. The semi-formal sector can effectively reach beneficiaries and recover loans, and the formal sector can mobilize resources and intermediate across regions to reduce covariate risks. These linkages should be strongly encouraged.

Institutional sustainability: It is urgent to re-orient all financial institutions to become commercial entities. This would include allowing institutions to set interest rates on commercial banking principles to become self-sustaining and functionally independent. These principles apply equally to formal sector as well as semi-formal sector institutions.

Competition: Competition could be established by encouraging private sector institutional development at the local or regional level, and by promoting the graduation of large and successful micro credit institutions to become financial intermediaries or banks

Increasing outreach: The small and marginal farmers, who constitute the majority of farmers in Bangladesh, remain largely out of reach of the formal and semi-formal sectors. Outreach can be increased by making rural financial intermediaries more flexible, for example by enlarging the target group of the semi-formal sector, through innovative financial instruments, or through increased credit for input dealers, agro-processors and storage warehouses which would flow down the marketing chain ultimately reaching the farmers.

Savings mobilisation: The financial system, with due regard to prudential norms and regulations, should significantly step up deposit services not only to generate resources for investment, but also to provide safe, efficient and accessible saving opportunities for the poor.

Incentives and Accountability: In the formal sector, it is essential to have an appropriate system of incentives as well as to establish accountability, with associated penalties, at all levels of decision making to ensure professional and efficient conduct of business and responsibilities

Operational efficiency: Speed and accuracy are essential for efficiency in banking operations as well as for policy and administrative decision making. Improving efficiency entails drastically improving the current management information systems which are slow, inaccurate and outdated.

Natural disasters: It is important to distinguish between banks and institutions, which can more effectively deliver disaster relief or administer insurance programmes. Using the banking system for disaster relief is not a good policy. It incurs huge unintended losses because of poor targeting and is detrimental to banking system as it destroys its credibility. Disaster relief is most effectively delivered directly by the appropriate relief agencies. Dealing with disasters over the long run requires appropriate insurance mechanisms

The authors work for The World Bank. Any position taken in this article does not necessarily reflect that of the Bank.