

The Hidden Costs of Efficiency

SALEEM dropped in the other evening, looking rather agitated. What's wrong I said?

I'm totally frustrated. My office has no power for three hours of the day. My electric bills are astronomical, because I'm being charged for other people's consumption. My telephone has been dead for the last week. There's no water in the pipes. How can one do any work around here?

Sounds like a typical week in Bangladesh. Patience, my boy, patience, maybe you should take up Yoga. I hear it does wonders for your nerves.

Don't be flip O.R. And to top it all, I read in the newspaper today, that the PDB (the masters of our electrical fate) are going on strike to protest any measures to increase efficiency. What sort of bizarre world are we living in?

The PDB employees are just exercising their intrinsic right to dissent, Saleem. After all this is a democracy you know, and everyone has the right to protest against anything they feel is detrimental to their interests. Just think about it, if the PDB were to be privatised, many of these hard working PDB workers would be laid off. They would lose their daily ritual of drinking tea, reading

the newspaper, cutting off access to electricity, over-billing. The psychological trauma would be immense. They would lose their purpose in life. They may actually have to go out and find other means of employment.

But what about the gains in efficiency, just think what it would be like to turn on the lights and have them come on, to hear the gentle swish of fans, the hum of electrical appliances doing what they are supposed to do? Saleem said waxing lyrical.

Life is not that simple my friend. Increasing efficiency in the power sector has its disadvantages. The PDB workers and officers union has just brought out an analysis done on their behalf by the Center for the Analysis of Everything (CAE) entitled 'The Hidden Costs of Efficiency'. In this dense monograph, the CAE's Chief analyst Dr Bend with the Wind (BW) focuses on the adverse impact of trying to increase efficiency in the power sector. He focuses on three sectors, newspapers, tea, and shoes. Did you know that PDB employees are among the most avid readers of newspapers in the country? — on average each employee reads three newspapers a day from cover



REFLECTIONS

by Dr Omar Rahman

to cover — and there's no sharing going on there, everyone has their own personal copy. Just think of what it would do to newspaper sales. Sheer devastation. Many a valiant newspaper would have to go out of business. In which other office does one have so much time to spare?

What about the impact on the tea and shoe industry?, said Saleem?

I'm coming to that. The tea industry depends heavily on sales to PDB employees. The CAE's analysis shows, that on average every PDB employee accounts for 10 cups of tea a day. They are really tea addicts there. Of course, part of this consumption is on the part of irate consumers who when they go to complain about their lack of service are always offered tea. I for myself think that one can't fault the PDB hospi-

power. Of course this is necessitated by the fact that telephones are mostly out of order in Bangladesh. This daily pilgrimage causes a lot of shoes/sandals to be worn out. This necessitates the buying of more shoes and sandals and Violal shoes sales go up. If suddenly efficiency were to increase, the shoe industry would be seriously affected.

You've got to be kidding! Said Saleem with a bemused expression on his face. You can't be serious.

But I am. I have it on good authority that very soon there will be parallel announcements from the shoe, tea, and newspaper industry in support of the PDB workers demands for a shorter work week, higher pay and a complete stoppage of all measures to increase efficiency. As one PDB worker's spokesman put it 'Efficiency is like a Virus, before you know it can turn into an Epidemic. We have to stop it in its tracks. We who are on the vanguard of the struggle against efficiency call on our fellow country men and women for their unstinting support. Remember one man's inefficiency is another man's livelihood.'

But what about the poor consumers, the 44 per cent

system loss, the endless frustration and unpredictability, said Saleem?

Well, here you have a classic conflict between two rights, the right to be inefficient on the part of the PDB workers and the right to receive uninterrupted electricity, on the part of the consumer. This is the essence of democracy in Bangladesh?

You're right O.R. I've seen the light, said Saleem excitedly. There is no sense in being frustrated. What we consumers need is to mobilise, galvanise public opinion, take our message to the people — let them decide — 'whoever they are?'

That's my boy! what you need in your struggle against power sector inefficiency is some ammunition (metaphorically, i.e.) What I suggest is that you form a consumer activist group and commission Dr Bend with the Wind of the CAE to write a report on 'The Not so Apparent benefits of Efficiency?'

What about a slogan?, said Saleem.

How about 'Power to the People', said I in a flash of insight.

Why that's brilliant O.R. I'll get on it right away. Saleem hurried out with a satisfied expression on his face, just as the lights went out.

Focusing on Telecom Needs of Developing Countries

by Edmund F Scherr

THE needs and challenges of the developing world in a global information society will be the focus of a G-7 conference next spring in South Africa, says a US official.

The official said that the US understands "informally" that some 30 countries will be invited to the conference of information, industry and communication ministers, scheduled May 13-15, 1996 at a site near Johannesburg, South Africa. The participants are expected to include both developed and developing countries. Representatives from the private sector are expected to participate actively in events associated with the conference.

Larry Irving, assistant secretary of commerce for information and communications, told a press briefing in Washington December 4 that South Africa, the host nation for the conference, has sent out invitations to the G-7 nations. The G-7 nations are Canada, France, Germany, Italy, Japan, United Kingdom and the United States. The other invitations will be sent "shortly".

Irving emphasised that "this conference is really fo-

cused on the developing world. What works for them? What do we need to do, as more developed countries, to work with developing countries to build up the (information) infrastructure."

The idea of an information conference focusing on the developing world came at the G-7 ministerial conference on the information society held last February in Brussels. During this first G-7 conference on information issues, Thabo Mbeki, South Africa's executive deputy president, invited the G-7 to come to his country in 1996 for a conference on development issues.

At the Brussels conference, hosted by the European Union (EU), the ministers expressed their support for the basic principles of a Global Information Infrastructure first outlined by Vice President Gore. Jacques Santer, the chairman of the Brussels ministerial, said in his conclusions that "the G-7 partners are resolved to collaborate" on the basis of eight core principles "in order to realise their common vision of a Global Information Society."

Edmund F Scherr is a USA staff writer.

Full Speed Ahead to the 'Killing Fields'

Kevin J Kelley writes from Washington

AS the number of private cars increases, some countries are tightening speed limits in a bid to cut road deaths. But Gemini News Service reports that the United States, which has more cars per capita than any other nation, is heading in the opposite direction.

increased in the last two years, reaching 43,000 in 1994.

Joan Claybrook, head of a Washington-based pressure group called Public Citizen, says about 700 extra deaths a year are attributable to a 1987 law allowing states to raise the speed limit to 65 mph (104 kph) on rural portions of the inter-state highway system.

An additional 4,800 deaths annually can be expected once the federal 55 mph limit is rescinded, she adds.

Those favouring speed autonomy in setting speed limits reject such findings and predictions. The point out that the number of vehicle miles travelled in the US in-

creases about two per cent annually. When that statistic is factored into calculations, the death rate can be seen to have remained relatively static in recent years.

The pending decision of lift federal speed limits is part of an overall campaign on the part of conservatives to ease many central government regulations and give more rule-making powers to the 50 states. The republican majority in Congress argues that the individual states are better suited than Washington to determine the needs and preferences of their residents.

Several western states have long complained that the 55 mph limit makes no sense for them. In sparsely-

populated sections of the prairies and plains, it is possible to drive for miles without seeing another car. Motorists in the western expanses routinely travel at 80 mph or more, and police are generally lax in enforcing a limit that is widely regarded as absurdly low.

Indeed, before the national 55 mph limit was set, two states in the west set no maximum speeds on their highways. It is anticipated, however, that all states will post maximums of 70 or 75 mph when they acquire the right to set their own limits.

Fifty-five became the national norm in 1974. The move came in response to the oil embargo imposed by Arab nations following Israel's



US-backed victory in the Middle East war a year earlier. Rallying round the slogan, "stay Alive at 55", proponents of the new limit cited its life-saving as well as petrol-conserving potential.

Highway deaths dropped noticeably in subsequent years. But critics of the federal speed limit maintain that other developments were

primarily responsible. The number of vehicle miles travelled annually fell sharply due to the petrol shortage caused by the oil embargo. And US car makers made several safety improvements during the 1970s, including installation of seat belts as standard equipment. More recently, air bags have been introduced

in new models. These inflatable cushions, embedded in the steering wheel and dashboard, expand on impact to prevent severe head injuries.

Many of these safety innovations were sparked by a citizens' campaign led by Ralph Nader, a crusader for greater corporate accountability. Another advocacy organisation, Mothers Against

Drunken Driving, has pushed successfully for more stringent penalties for motorists found under the influence of alcohol or drugs.

Efforts to prevent drunken driving will be facilitated, argue some supporters of the 55 mph repeal, when police no longer have to spend time enforcing a speed limit that many actually heighten road dangers.

Those taking this position point to a 1993 study by economist Charles Lave. He found that states with a 65 mph limit in rural areas had death tolls as much as five per cent lower than states that did not exercise the 1987 option of raising allowable speeds beyond 55 mph.

A number of factors might account for this, Lave suggested.

One possibility was that police officers were able to focus more closely on violations such as drunken driving. Another theory is based on the fact that higher speed limits cut travel times. Studies have shown that the final hours of a long drive are the most dangerous.

Progress by Participation

by Hans Rolloos

NO CONTRACTOR: Tahmina very well remembers who ten months ago her group leader Faya visited her house and asked if she would be interested to participate in the construction of a road a few miles outside her village. "For that I need the permission of my husband," had been Tahmina's response. "I assume he has no objection, though he may ask what the contractor is going to pay for a day's work." To Tahmina's surprise Faya told that there would not be a contractor. At first Tahmina could not understand this. "No contractor?", had been her reaction. "How can you build a road without a contractor?" Then her group leader had explained it all. It is very simple, we ourselves are going to be the contractor, we members of the group, we women will construct the road.

TWO THOUSAND GROUPS: Tahmina's group of twenty women is one of the more than two thousand groups formed by the Rangpur re-

gional Development Project over the last four years. The project is jointly sponsored by the Government of the People's Republic of Bangladesh, the European Union and the Government of the Netherlands. The groups with a total of thirty thousand members all belong to the poorest of the poor in the society. Fifty per cent of the members consists of women. The members live spread out in the districts of Rangpur, Lalmonirhat, Nilphamari and Gaibandha. These districts with a total population of more than eight million people belong to the least developed in Bangladesh. It is estimated that sixty per cent of their population lives below the official poverty line set by the United Nations. This means that these people consume less food than the required minimum standard and as a result are constantly underfed.

POVERTY: An important cause of the existing poverty situation is the limited soil

fertility in the north western part of Bangladesh. Because most of the soil is sandy, the average harvests are much lower than in the rest of the country. Another reason is its isolated location. Separated by the mighty Jamuna river

the four districts are far away from Dhaka, the most important political and economic centre of the country. The transport costs are so high that most farmers do not find it attractive to sell their produce at the other side of the Jamuna river. Its isolated location also limits industrial development. Another important indication of poverty is the low literacy rate. Only sixteen per cent of the women and thirty-two per cent of the men are able to read and write. The vicious circle of poverty is dominated by a small but powerful class of landowners and money-lenders. To a great extent these people control the socio-political and economic situation in north-west Bangladesh.

MOBILIZATION: The Rangpur Regional Development Project was established four years ago to bring change in this economically unbalanced and socially explosive situation. The project comprises of two components. The first project component, for short called RDP-9, concentrates on the mobilization of the poorest of the poor. The first step in this mobilization process is to make the poor aware of their position in the society. For this purpose organizers appointed by the project have

formed them in groups. The first activities of the groups are the creation of mutual solidarity and the discovery and promotion of the socio-economic potential of its members. A important activity for the members in this process is learning to read and write. Other areas of activity are the promotion of leadership training, sanitation and family planning.

EMPLOYMENT: RDP-9 also focuses on the generation of employment. Through consultation the members of the groups can apply to the project for small loans which they may spend together or individually. The provision of credit goes together with the necessary skill training. Over the last four years 38,000 loans against a total of 90 crore taka have been disbursed. Next to the traditional investments in rice husking, poultry raising, the keeping of goats and cows and the production of bamboo baskets, there are also groups which have gone into more innovative ventures. Some groups for instance have set up small bakeries and sell bread. Others have established small production units for various types of handicrafts and foodstuffs and the cultivation of fish in ponds.

MONEY NOT ENOUGH: RDP-9 Team Leader, Wiebe van Rij of the Haskoning-BMB-KIT Consultancy Combination of the Netherlands, has been closely involved in the establishment of the project's training and credit programme. "We started enthusiastically and were convinced that the provision of credit and appropriate training would lead to an uplift of economic activities," he comments. "Looking back we can say that this has happened. At the same time we now also know that money is not always the main problem, because what can you do with your money if there are no feasible and profitable investment opportunities? An-

other aspect is marketing. You are trained in the production of bamboo baskets, you have set up a small production unit, but you cannot sell your baskets. In our project area there have been a number of groups who have leased land for the cultivation of potatoes. Potatoes cost around two to three taka per kilo in Rangpur. In Dhaka you pay twice as much. At first sight the growing of potatoes looks very attractive. Later you find out that the transport costs between Rangpur and Dhaka are very high and that the middlemen take a large portion of the profit. For the farmers there is hardly anything left. With these experiences the project is now better prepared to provide the group members with practical advice. Before you make any investment, study the market and investigate where you can sell your products. Surely in a relatively poor area such as ours where the purchasing power of most people is low, this is not always easy."

ROAD CONSTRUCTION: The second component of the Rangpur Regional Development Project is RDP-8. In cooperation with the local government this project component concentrates on the construction of roads and markets, the excavation of ponds and the planting of trees. Over the past years more than three hundred kilometers of road have been constructed. The most important objective of RDP-8 is to improve the physical accessibility of the four districts and the creation of temporary employment. Up to two years ago the implementation of infrastructural works was always undertaken by local contractors. Then the idea was raised that some of these activities could be implemented by the RDP 9 groups, the male as well as the female groups.

GROUPS CONSTRUCTING ROADS: Wiebe van Rij says, "At first the proposal to have RDP-9 groups, and especially female groups, participate in

the construction of roads met a lot of resistance. The local government did not think it feasible, while the contractors were of course against it." After months of discussions up to the highest level in Dhaka, a compromise was reached. As a kind of test case the groups were allowed to implement a small number of projects. Before the start of the implementation of their projects the group members were extensively trained by a team of engineers and other staff members hired by the project. In the beginning the engineers faced some problems. How to make road builders from a group of illiterate people? It seemed impossible. However, the engineers quickly discovered that the participants were much more capable than expected. Being used to construct their own house and to protect their homesteads against floods, the construction of roads and the digging of ponds was not all strange to them. Next to technical construction activities and the preparation of simple calculations, the group members also learned how to negotiate with suppliers of bricks, sand and other building materials. Other topics discussed during the training course were the lease of steam rollers and concrete mixers, reporting to supervising authorities and, most important, the division of tasks within the group. RDP-8 made it clear to the groups that they had to operate as a normal contractor on a strictly commercial basis. Late completion of work or incomplete work would mean that they would be paid less or even may face losses.

QUALITY BETTER: Since 1992 three hundred groups have participated in the road building projects. In spite of a number of starting problems most groups have done very well. On average, the quality of the work implemented by the groups, especially the female groups is better than the projects undertaken by the commercial contractors. Some groups have even upgraded themselves. Next to the construction of roads they now also build technically more complicated concrete bridges

and culverts. Tahmina is a member of such a group. During my visit to her project site she and ten other women are busy making the steel reinforcement for a culvert. With full self-confidence she shows me the technical drawings of the culvert construction. She apologizes that she has not much time to show me around. The steel reinforcement has to be ready by today. Tomorrow the concrete will be poured. A concrete mixer rented from the Department of Public Works has already arrived.

At the project site five men are closely watching the work undertaken by the women. I ask what they think of women working on building sites, doing work that is normally done by men. Two already aged men voice that they do not consider it proper for women to do this type of work. "Women should stay at home and look after their husbands and children. Working outside the house should not be allowed," is their comment. The other three men do not agree. "What strikes me," one of them says, "is that women are constantly busy. They have no time for small talk like us men. Then why should women not be allowed to work outside their house. Look at our Prime-Minister, she goes everywhere."

PEOPLE'S PARTICIPATION: Wiebe van Rij is satisfied with the achievements made by the groups in the construction of the roads. "This type of project does not only create employment and generate income but, even more important, pride and confidence. This feeling of self confidence makes it easier for people to go for other activities." Van Rij regrets that foreign donors as well as the local government often take little notice of the technical knowledge and capability that is already available in the region. Presently in the Rangpur region foreign and local contractors are upgrading the national highway. Most of the work is done by imported heavy equipment such as bulldozers and earthmovers. Most of the project personnel comes from outside the Rangpur area. Local people may just watch



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by Jim Davis

