

Water Policy

Dancing around in tiny parcels of semantics, we have, for a large part of our independent existence, blown only hot air over a national water policy, a basic document possessed even by an arid country, let alone an exiguous delta like Bangladesh carrying the huge load of three mighty rivers.

Whenever hard-pressed by severe monsoonal flooding or an acute lean season scarcity of water we made noisy presentations at home and representations abroad with the result that multi-million dollar grandiose projects got colourfully flagged on the drawing boards—but only flagged with little sign of hitting the ground in finished physical form. Lack of understanding with co-riparians, specially India, prevented progress on them as the prospective fund-raising got mired in the uncertainty about their sustainability. Their technical feasibility maybe otherwise okayed on paper initially became suspect down the road.

Under the circumstances, successive governments and their planners adopted the safest attitude conceivable to the so-called 'variables and complications' in formulating a national water policy—namely that of a total resignation to the agenda as such. While this hands-off policy went on, we turned increasingly blindfolded to whatever prospects remained for scientifically managing and optimally utilising the vast untapped water resources within our own territories.

The Daily Star roundtable on national water policy had its antenna set for doing an update on the subject. Yet, what really occasions these editorial comments is the news broken by the water Resources Minister Abdur Razzaq at the moot that a national committee is going to be formed—headed by the Prime Minister—to formulate a water management policy for Bangladesh. We regard this as a national forum in the making, so that our suggestion is for expanding it adequately with representatives drawn from all the disciplines relevant to the framing of a national water policy. In a race with time, the committee is expected to deliver the goods at the earliest. With so much to lay their hands on by way of a corpus of research studies on surface and ground waters, the committee can hit the nails on the heads.

Give it Some Teeth

Fifteen thousand people have been arrested from all over the city during the past three months for their alleged involvement in various crimes. This could be a sure sign of seriousness on the part of the authority to make Dhaka a more secure and safe place than before. But unfortunately as many as 60 per cent of those nabbed by the police strode out of custody on bail.

There is no reason to harass or take into custody innocent people nor do we like to see genuine criminals evading punishment, because of legal loopholes or political pressures extended for the purpose. We do not know on what charges those 60 per cent, since freed, were arrested. What we do see, however, is that mugging and other incidents of crime have not reduced at all. The meaning is quite clear: criminals are still at large and are busy carrying on their anti-social activities.

Now the question is: how to go about the business of meting out the punishment the criminals deserve. The answer obviously lies in strengthening the system that deals with such cases. Surely, we do not want a police state but at the same time legal drawbacks must not be allowed to favour the criminals, working at the same time as a strong disincentive to police action against those elements. A legal reform with the aim to give it the necessary teeth to hit at the criminals is a necessity. Expansion of the judiciary is badly needed to expedite disposal of cases. Unless the law takes care of the criminals, society's confidence in the system gets eroded. It is at this point of social friction or tension that people are tempted to take the law in their own hands. Quite a few such incidents have already taken place. Before the whole society enters into a mad rush for such a desperate prescription, let the legal system intervene and prove its healing touch.

Hardly Exciting

Yet another tourism month, as usual, has begun under the auspices of the Bangladesh Parjatan Corporation. A look at the programmes set for the month is enough to convince one that they are merely a repetition of the previous year's. The programmes are drawn more as a ritualistic exercise than as a serious effort to attract either foreigners or locals as tourists.

When the basics of tourism are all wrong, there is little hope that a month earmarked for the supposed promotion of our country as a visiting venue will make any difference. Tourists visit places not just because they are merely interesting but also because how interestingly they are presented. Maintenance of the places is as important as the historical, anthropological documentation. Creation of modern accommodation facilities is no guarantee for tourist arrivals unless communications and security arrangements are improved to match with it.

On all these counts, the country has quite a distance to cover for expansion of both domestic and foreign tourism. In this connection we once again suggest that co-operation within the SAARC can indeed benefit our tourism industry through multilateral provisions for visits to countries of the region. A Nepalese proposal to this effect is on the table. We welcome it and hope that the authorities here would respond positively to the same for its early implementation.

Dispersal of Industries Needed for Full Employment Growth

by Kabir U Ahmad

Industries should be dispersed all over the country and not concentrated in one, two or three major metropolitan areas so that the rural unemployed can have productive employments all round the year without any dislocations from their hearths and homes.

BANGLADESH has been passing through a phase of transition from a public sector dominated economy to a liberalised market economy. Indeed, it is moving towards an outward-looking, export-oriented and internationally competitive trading economy which holds out a promising future for the country provided, of course, it is skillfully managed. Its productive efficiency is improved, wastage in the public sector is minimised and the cycles of political violence are kept at bay. Evidences of improvement following the drastic liberalisation measures of the early 1990s reflected in some key indicators like low inflation rate, slow but stable rate of growth of GDP and substantial increase in the growth of exports and domestic investments etc. are clear enough to be optimistic about the potentials of faster growth of the economy.

Further, it is heartening to see that both the major political parties have, willy-nilly, accepted the philosophy of market economy, the need for institutional and legal reforms to stimulate the economy and the measures to dismantle the internal controls and the external barriers to trade. These will have salutary effects on the growth of the economy in the near future. However, there are still some fundamental issues of development strategy especially of industrial locations that are needed to be brought to the attention of the policy-makers and the general public for awareness and eventual choice of directions.

Lessons From the History of Development

Bangladesh has to learn two important lessons from the long-term development pattern of the developed countries. In the first place, the location of large-scale initial investments in a particular region of a country sets the stage for future pattern of resources flows and price movements in favour of

that region, which through the generation of scale economies and externalities create further opportunities for profitable investments in that region. Such an initial spurt reinforced by years of large-scale public and private investments in the same region attracts labour and capital away from other regions leading to a rapid development of the former to the neglect, or even stagnation, of the latter. The classic example is the south-eastern region of England in the eighteenth century which played a crucial role in the development process of that country. The south-eastern region became the centre of major development activities but the regions like the north-east of England, Wales and Scotland remained, by and large, coal mining and agricultural regions. The interregional differences in the levels of income, employment and factor-use became pronounced over time.

One consequence of such a heavy concentration of economic activities, capital accumulation and labour demand in the south-eastern region was that substantial amounts of land space and local labour remained underutilised, or even idle, in the other regions. Because of the stagnant nature of these regions, special measures had to be taken in the post-Second World War period to create incentives for private investments by dispersing industries and government departments to stimulate the growth of these regions. And yet, the inter-regional differences in income and employment levels have remained substantial even to this day. Similar examples of one- or two-city or region-based developments creating major resource-pulls to the neglect of the other regions of a country can be found almost all over Europe, North America, Japan,

Australia and even in India and China. Closer to the home ground, everyone is by now familiar with the history of massive development works in Karachi undertaken by the Federal Government and the private business enterprises after the creation of Pakistan and their ultimate effects on the political-economic relations on the two former wings of Pakistan.

In the second place, as some major industrial regions develop in a country, there is the growing demand for labour, food and raw materials which have to come from its own agricultural sector or from abroad. If the domestic agriculture has to survive in competition with the foreign suppliers of food and raw materials to the domestic industrial sector, it has to be efficient too. Such developments can come about by using modern chemicals inputs and new technology. The issues of balance or imbalance in the inter-sectoral growth have deep implications on the sustainable real growth rates of the two sectors.

However, what is crucially important for the present purpose is to appreciate the historical fact that as agricultural output increases with new inputs and technology, it requires less and less labour force. The data of long-run development of agriculture in any country will support this phenomenon. The technical language that economists use to describe this phenomenon is as follows: The long-run output elasticity of employment in agriculture is less than unity. This has a profound implication on the speed of industrialisation of a country if it wanted to provide full employment and income to its able-bodied labour force and eliminate poverty.

The Implications of these Lessons for Bangladesh

Bangladesh seemed to have followed so far the traditional strategy of development by allowing heavy concentration of public and private investments around greater Dhaka, Chittagong and Khulna cities which is creating the resource-pull effect towards these metropolis. All the economic incentives to transfer resources from the rural areas to the cities for a variety of reasons are very much at work. The long-run effects of such incentive structure is detrimental to the development of rural areas as well as to the poverty alleviation objective of the past and the present governments.

It should also be noticed that as the growth of agricultural output is taking place (one indicator of this growth is that the rice production has gone up from about 12 million tons in 1972-73 to about 19 million tons in 1992-93), new technology is gradually being adopted resulting in the release of labour force. High rate of open and disguised rural unemployment even after high rate of labour migration to the cities and abroad provide some evidence of such effects.

What Strategy Should Bangladesh Adopt?

It is a common knowledge that Bangladesh is a land-scarce, labour-abundant, overpopulated, and agriculture-based economy. The most cruel fact is that about 120 million people with a net annual growth rate of about 1.8 per cent have to live and survive in a space of 55,000 square miles which makes it one of the world's most densely populated countries. In this situation, if every able-

bodied individual has to be given a productive employment in order to pull him out of the poverty trap and to give him opportunities to live a decent life, then every inch of the soil has to be utilised most effectively. Space shortage, which doesn't matter in the land-abundant countries and that perhaps is the reason why land never featured in the growth theories of the developed countries, will play a crucial role in the development of Bangladesh.

Therefore, the traditional strategy of the developed countries, as discussed above, will not work here and not a spot of land can be left fallow or unutilised in Bangladesh. Market and price system should be so geared that incentives are generated for labour and other resources to move towards the rural areas rather than in the opposite direction. In this respect, the model that is somewhat appropriate for Bangladesh is that of Singapore, another extremely land-scarce country, which has been thriving on manufacturing process with imported inputs. But Singapore has a geo-economic advantage since it is situated in the middle of a global trading route which Bangladesh doesn't have.

On the other hand, Bangladesh is fortunate to have extremely fertile soil, hills, rivers and the Bay of Bengal with vast potentials of resources although the latter can be a source of disaster sometimes. For its industrial process, Bangladesh can take advantage of its large number of domestically produced fruits, vegetables, spices, and seeds etc., as raw materials, quite apart from the traditional ones like leather, fish, jute and tea etc. It can further develop garments, ceramic, poultry, five-stock, milk-related products. It's well worth taking.

ing it to socio-economic purposes. They would rather risk being a colony in the hope that there would be peace. The policy of appeasement was best illustrated by handing over lists of Sikh militants to Rajiv Gandhi, putting paid to the logistics supply route to the Kashmiri militants and in consequence the Kashmiri independence movement. What did Pakistan's appeasement get in return? Munich and appeasement go together. Chamberlain's folly led to Hitler deciding that since England was weak, he could go on with his further aggressions, net result World War II.

South Asia's prosperity lies in making an economic compromise somewhere between the extremes of vengeance and appeasement. The progress in East Asia has shown that economic aspirations have overwhelmed the potential for conflict. Creeping confidence building measures have no future, unless we come to a mutually acceptable solution on the crucial issue of Kashmir, the relations between India and Pakistan will remain tense. The economic world will leave us standing in the relatively dark ages. Whatever we do, however long a road we may travel in the search for peace and security in South Asia, the requirements of fulfilling destiny demand that India and Pakistan take the route of compromise in the pursuit of economic prosperity, without that there can be no peace and security in South Asia.

AS I SEE IT

Ikram Sehgal writes from Karachi

The coming elections in Uttar Pradesh (UP) may complete the entire process of regionalisation, the turning of the mass psyche from empire aspirations to one of economic amelioration. The Hindu religion being a class-ridden society, the small ruling coterie has been primarily Brahman continuum with support of the Kshatriya (warrior) and Vaish (business) classes that have never come to terms with the second largest religion in South Asia, Islam.

Since the bulk of Muslims (and Christians) converted Hinduism were of the lower class, mainly because of their mistreatment at the hands of the so-called 'superior' classes, resentment is widespread against the Athens and savage economic domination by the 'superior' classes. Once Pakistan had come into existence, not only due to religious affinity but an eco-

the real voice of the people, one that is devoted to economic mores. This can be done by ensuring that electoral process is legitimate only when 1) majority of the voters elect any candidate i.e. more than 50 per cent of those voting (in a run off vote is necessary). 2) Proportional Representation, to accommodate women and minorities, and 3) all posts are directly elected ones, obviating the chance of manipulation. This would make it much more difficult for a small minority coterie to get elected and influence the destiny of nations by thus 'democratically' getting control over the majority. Unless the real will of the people is manifested by exercising their right of franchise to get control over their own destinies and turn their attention towards core domestic economic issues, a small handful of motivated people will always keep the masses in thrall by diverting their attention towards external glory. In the spirit of compromise, let us be fair and look at our own failings.

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nomic realisation by the Muslims that they risked economic subjugation by the majority Hindus, the bulk of Indian Hindus vote remaining in India went to Congress by default of fear of what parties like BJP and Jan Sangh would do to them if they ever came to power. This preference of the Indian voter for his economic situation must be encouraged as a ray of silver lining in a dark clouds looming over South Asia.

We must replace imperfect

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