

## 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 Razzak 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 though 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.*

BAKGLADESH 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. Evidence 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 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 interregional 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 metropolises. 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 crucial 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, livestock, milk-related products. It

can also utilise its reasonably intelligent manpower in the areas of textiles, computer, information technology and various other service activities.

As a first step, therefore, 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, the present high rate of rural-urban migration can be minimised and the difference in the living conditions between the rural and urban people can be reduced substantially. For this, the areas in the neighbourhood of all the Thana or Upazila headquarters can be developed into small industrial zones which can draw on the neighbouring rural areas in terms of market exchange for labour and local raw material supplies, on the one hand, and the supplies of manufactured products and financial and other special services etc. to the rural population, on the other.

This has to be done by conscious policy decisions of the government by creating special incentives and by taking administrative measures for such dispersal if they want to provide full employment to the people and eliminate poverty in the foreseeable future. Otherwise, the existing big cities will continue to grow with uncontrolled, jobless, homeless and crime-ridden population coupled with poor infrastructural facilities and polluted environment which will eventually be turned into a vast areas of city ghettos with all its vices. All that this shift of emphasis from large city-based industrialisation to the rural-based industrialisation needs are political commitments, careful planning, infrastructural facilities to connect the remote areas of the country and extensive training in modern management of various activities to be created and developed in those areas. It's a big challenge, but it's well worth taking.

# South Asia: Peace and Security

*The economic world will leave us standing in the relatively dark ages. Whatever we do, howsoever 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.*

GREAT rivers emanate from the Hindu-Kush, Karakoram and Himalayan ranges as well as the Naga Hills that binds South Asia as a homogeneous region, making for a vast fertile delta land where crops grow easily but are inordinately susceptible to natural and man-made disasters. Various delta regions, all economically compatible, are divided into identifiable nation units on cultural, religious and political lines all of which show a significant divergence from each other. India share common borders with almost all the other States, this largest State of South Asia having a history of confrontation and conflict with all its smaller neighbours, none of whom have any problems with each other. India is the only country after World War II to have increased its territory by one-third, the world having shown a remarkable and unquestioning indifference to the expansionist design of the world's 'largest democracy'.

Its expansionist mode notwithstanding, India remains a country riven with internal strife. The internationally known conflicts within India, other than ethnic and religious strife, are in Kashmir and Punjab. The entire eastern part of India has been virtually in a state of war since 1947. These include Nagaland, Mizoram and Manipur which are better known than the not-so-well publicised Gorkhaland, Bodoland and United Liberation Front of Assam (ULFA), but

still bloody nevertheless. The Indian threat perception can be measured by the fact that the Armed Forces, numerically and materially representative of their ambitious, maintaining more than a 5 to 1 attack ratio with Pakistan, against the so-called Chinese threat they maintain a 1:1 parity.

The imperfect democracy left to South Asians as an heritage by the British has shown up a solution by accident of nature rather than by any design of man. One that can bring peace and security to the region. In the 50th year after independence of South Asia, economic imbalance weighted heavily against the majority poor has resulted in a reaction at the polls, breaking the stranglehold of the monolithic Congress Party in India and sidelining the Hindu revivalist Bharatiya Janata Party (BJP) as an influential and effective opposition. Since none of the other parties want to have anything to do with BJP ambitions in and out of the country, this has emasculated their ambitions as a future ruling party. The Congress Party of 1947 has divided into 1) many factions of the original party, the largest led by Nehru, 2) BJP representing the militancy of the Hindu religion, 3) Janata Dal, representing the moderate,

soft and secular image of the original Congress, and 4) representing a host of regional parties awakened by the economic realisation that inflammatory rhetoric and visions of imperial grandeur do not feed empty stomachs. For the first time, regional parties from South India, East India and Northwest India, hardly ever represented at the centre, have emerged to hold away in a loose coalition.

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 a Brahman contingent 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 ruthless and savage economic domination by the 'superior' classes. Once Pakistan had come into existence, not only due to religious affinity but an eco-

nomic realisation by the Muslims that they risked economic subjugation by the majority Hindus, the bulk of the Indian Muslim 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 bank of a clouds looming over South Asia.

We must replace imperfect democracies in South Asia by

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.

Two extreme emotions govern over relationships with India, one is of vengeance and the other of appeasement. There is a school of thought which believes in accepting India's hegemony in order to reduce defence spending and re-direct

## AS I SEE IT

**Ikram Sehgal writes from Karachi**

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## To the Editor...

### Perils of WASA supply system

Sir, It seems WASA is averse to its own slogan, 'The Daily Star front page photo (Aug 11) amply shows that. The DS's concern in 'Unsafe Water' (DS, Sept-1) should shake up WASA. Present WASA supply system is of a squanderer's, as it incurred many unproductive expenses for customers. Whereas, a pragmatic system in the west has removed those. That feeds customers' right from its own OHT (overhead tank). So it ensures purity in one hand and reduces users' establishment cost on the other. But here, we have to build and run another 'mini water works' (underground reservoir, pump station and OHT), with additional spill of money to use WASA water.

In the monsoon inundated area, the said plant often gets contaminated unnoticed. Slightest seepage is enough to pollute the entire plant's contents. The affected plant sometimes cause serious inconvenience, as it needs elaborate treatment until it is fit for use. Besides, this plant regularly consumes power, gas and adds overflow loss. Such widespread overflows make it difficult for WASA to detect its pipe leak until disruption. We also don't get any hint of that leak—contaminants trickling into our underground reservoir at any moment. But, if it was a direct feeding, then at least we would have known right away, from the changes (colour/odour/taste/pressure) in the faucet's outflow.

Earlier, the supply used to be directly from OHTs (Fakirapool, Lalmatia, Mohakhali and others). That system insisted on the efficiency of O&M personnel. Their vigilance on the OHT's outflow against intake

kept a check on 'system loss', line leakage and pilferages. As freshly treated water was always flowing, hence, the possibility of microbe growth was remote. Then we needed no 'mini water works' or its allied costs. Water was safer, but now it has to be boiled. It means, we don't get drinking water for what we pay/spend. From WASA's stance (as it refuted media reports, by stating that customers' reservoir is the microbe's den), the onus of any bacteria growth in WASA water rests on us.

Recently (Mr Morshed Ali Khan's report, DS Aug 30), DoE has also opined that our reservoirs could be its origin. So, it seems to me, while adopting WASA's supply system, none gave any thought on the probable perils of water stagnancy in a 'crude underground reservoir' (as no testing lab exists).

I'm not sure, if Public Health Department, WHO or World Bank had ever commented on such unhygienic and wasteful water supply system. WASA's excuse of switching to this system is that they can't feed high-rise buildings by direct feeding. Whereas, that could easily be solved by using a pressure sensing booster by those buildings only instead of penalising all others (bulk of the customers). In Cantonment area and at ZIA, for obvious reasons, direct feeding system is being used. For similar building height limitation, WASA should have used that pragmatic system for the Model Towns to provide safer water by saving national resources.

Water-need being a perpetual one, I feel if WASA switches to a free-flowing water supply system by rectifying its sub-standard piping of network, still then public will be benefited from getting safer water in a cheaper way by saving na-

tional wealth too. Close to 50 per cent system loss means a lot.

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### Foreign post in Rajshahi

Sir, I was astonished to receive a parcel from USA having seen that it was checked in Khulna for which a long time was taken as it was sent from Dhaka to Khulna and then in my place at Rajshahi, so, we don't know why this system is still in practice. Because, there is a PMG office in Rajshahi with full mechanism. Moreover, RMS office is also controlled from Khulna though it is situated in Rajshahi, perhaps it was the system of the British.

So we urge the authority concerned including the minister-in-charge to take sharp action to mitigate the genuine problems of the people of Rajshahi Division in the age of computers and Internet prevailing in the world.

### A question to the World Bank

Sir, I shall be highly obliged if the representative of the World Bank, in Bangladesh, kindly explain, that if this Government of Bangladesh reduces custom duty on a certain item when an importer has got the same imported item in banks were house, for which he paid higher duty through creating loan in his bank, who will pay the loss suffered by the importer?

I hope the representative of the World Bank will seriously think about my question and will kindly come out with an honest answer.  
Mustanser, ES  
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## OPINION

### Prosperity or Politics? Choice is Yours

**Anam A Choudhury**

May be it is relatively easy to unite a popular party and win the election, but it is very difficult to unite the whole nation and give it a modern, prosperous and democratic future. Politics is the art of getting along with the people and statesmanship is the art of getting along with the politicians. Perhaps our leaders have mastered the art of getting along with people, but yet to learn how to get along with the fellow politicians. Most political analysts agree that getting along with BNP will be the single most important determinant of success of Awami League government.

I think emotions are powerful obstacles to political compromise. Abrasive and uncaring attitude may have largely contributed to the downfall of Begum Zia's government. Probably, Begum Zia was too much wrapped up in her own world of thoughts and emotions.

Cohabitation between Awami League and BNP and cross party cooperation are essential pre-conditions for lasting economic growth. Solid working relationship with BNP will surely reveal unseen problems, identify new trends and can lead to creative solutions.

HM Ershad, who successfully fooled all of the people, not some of the time, but long nine years, and presided over the most grotesquely corrupt administration in our living memory, now having a very good time in a five star hotel near the Jathya Sangsad building. At this point of time, trumped-up 'illegal enrichment' charges against BNP leaders, specially against Begum Zia might incite public outrage, inspire widespread protests and may push the na-

tion into unprecedented state of political turmoil. Questionable trials may tarnish the image of our independent and reliable Judiciary among the most Third World countries, courts are still subservient to the executive on various matters. Favour, scandals, sweetheart deals and corruption are more or less inevitable in our society. Moreover, a good deal of ministerial abuses are within the bounds of the Law. Unfortunately, our legislation does not really address the refined and sophisticated forms of political corruption. Eager-beavers in administration always unleash a vicious smear campaign against outgoing ministers.

Awami League government should not underestimate the nationalist forces in the country. BNP has the clout to make its interest stick and may have the necessary political power to make its views count almost anywhere. Despite substantial social and economic progress, deep-rooted antagonism between Islamic minded people and urban educated middle-class still live on. Nationalist forces can easily exploit such tensions to inflame the political climate at any time.

Fortunately, the country has recovered from the psychological and economic damage inflicted by two years of wrangling. Economic output is increasing at a faster rate, corporate profits are growing and consequently stock market is booming.

Now the new government has to please the people of this country. It should try to reduce 'the widening gulf between haves and have-nots.' It has no choice, but to put more money

into job creation schemes, provide more teachers into school and extra cash to help old and infirm people.

We must not forget that the people of Bangladesh, disenchanted by past failures, have become impatient and distrustful. They prefer to see a certain consistency in their leader and want her to move the political debate from 'history to hope'.

The best antidote for most social and economic ills is 'rapid growth.' Although economists do not know whether the performances of successful economies can be imitated or copied. However, they believe the economic growth ultimately depends on the rate of technological change. Now a days, ideas flow freely and like all other countries, we have access to the most advanced technologies of the western world. Bangladesh is the most promising place to develop multi-billion-dollar computer software industries. We have the most important raw materials required for such industries, the millions of talented minds.

Geography has also allowed us the unique opportunity to earn millions of dollars by allowing transit and sea-port facilities to our neighbouring countries. Our excellent sunny weather, throughout the year, can be utilised for the development of renewable solar energy. A congenial political climate will ensure large inflows of foreign capital. Our government should mobilise best talents of this country and find out ways to convert modern technology, foreign capital and labour into output. We all must work hard to make our national cake that larger, so that we can all benefit more.