

Attracting FDI

Korean Prime Minister Lee Sung-soo in a meeting with our visiting state minister for foreign affairs, Abul Hossain Chowdhury, said "There is no doubt that investors from Republic of Korea will go to Bangladesh in a bigger way to take advantage of the new investment climate there." Coming from no less a person than the Prime Minister himself, it is no doubt a very significant expression on the investment climate of our country, at a time when we need such indications of confidence very badly. It needs to be stressed that immediately following assumption of power, Sheikh Hasina's government has launched a vigorous campaign to attract FDI. The PM herself has led the way by addressing the potential investors everywhere she has visited, making it an essential part of her tour, not just an adjunct to it.

The question that we would like to ask today is that, are we taking sufficient preparation at home commensurate with the vigorous call that we are making internationally? It is not what we say during our trips abroad, but more the situation on the ground which will determine ultimately how much FDI will come in here. It is our view that our internal preparation is not measuring up to our claims abroad. It is true that procedural wrangles are being simplified and that BOI today is a far more dynamic and vigorous organisation than before, yet the totality of the investment process still remains bogged in a quagmire of permissions and signatures that is a sure turn off for any foreign investor. Law and order situation, though improved, is far from sufficient for the challenge. Corruption is something that the government knows well about and is at its wit's end as to what to do. The chaos in our banking and financial institutions is also a turn off. The commitment of our bureaucracy and the efficiency of our professionals remain to be tested.

It is in these circumstances that the government has launched its vigorous drive to attract FDI. We feel that a more vigorous and coordinated approach needs to be taken, and the existing problems need to be solved very fast if we are really to live up to the promise we are making. The recent complaints by the Japanese about how long it takes for decisions to translate into actions should serve as a stark reminder as to where reality is compared to our wishes and claims.

A Bureaucratic Crime

There is a set-up called the Chittagong Development Authority. Whoever lives in Chittagong cannot but be aware of the existence of this organisation. Not as familiar is the Chittagong Metropolitan Master Plan, for CMMP has yet to make a start on its 1000-crore Taka project. CDA has a wing, its Planning Department, which drew out the CMMP at a cost of some 13-crore Taka. The smooth and efficient functioning of the Planning Department is essential to a successful execution of the CMMP.

All 28 that man the department, including nine specialists, are not getting salary for the last five months. This kind of administrative incompetence or failure was not unknown in the past. But even then this could not happen in key areas of performance-oriented projects and in broad daylight, so to say. With improvement in administration over the years such news has become a rarity. Privately run schools and colleges and newspapers were once the main source of such failures which owed mostly to capital crisis. Even these have recovered very impressively indeed. There is no question of the CDA wing's suffering from funds constraint. This has been an ideal case of bureaucratic procrastination.

If the 28 have outlived their use for CDA and CMMP they should be asked to go with whatever it needs to say so. If not, they must be paid on the dot. There cannot be any other position in the matter. But bureaucracy or the game of file movement without anyone with a mind touching it, improvises so many imponderable variations in between the two positions. The question is whether bureaucracy is essentially such or there occur at times and in unpredictable areas strange derelictions. Be whatever that may, when people suffer, they do not do so for the good or bad of a system but because of the good or otherwise of personnel at the relevant point of the system.

One of bureaucracy's crimes is that it jealously guards its members from exposure to punishment. It starts to rot as soon as it turns itself into some esoteric unanswerable community like the Free Masons. The files in the present case has reportedly got stuck in the Finance Ministry. Our very responsive and no-nonsense Finance Minister will no doubt untie the knot in a jiffy. But that's not enough. The persons sitting over the file must be made to wait five months to get their salary or they wouldn't learn. Throughout God's creation one reaps what he sows. Why should the bureaucrats be an exception?

Thanks to British Airways

It is a small news but reflects a very laudable aim. British Airways donated Tk. 1 lakh to Unicef, Bangladesh, for its programmes here. The money was raised through the airline's global 'Sleigh Ride' programmes for the children of the world. It is not the money that attracted our attention but the sentiment, sensitivity and the management's determination to follow through on both. For an airline to take a fund raising initiative as a part of its regular operation shows a social awareness that is really praiseworthy. We would like to thank British Airways for this gesture.

This mixing of business with social responsibility is something that we most vigorously support. As the whole world is now going towards market economy and free enterprise, big corporations and leading entrepreneurs will have to exhibit similar sentiments and awareness for us to build a better world.

We take this opportunity to draw the attention of our own big business houses to take up similar projects to help our needy, especially the children. It is our view that our community and society leaders need to think a lot more about philanthropy than they have been doing so far. We believe a lot can be done only if we think sincerely and creatively about it. Can we start a serious soul search on this matter?

Rice: Susceptibility, Supply and Security

If the supply falls shy, price would jump seriously, blowing out poverty alleviation programmes in LDCs. LDCs thus need to restrict international trade in rice although this might hurt the high income-food deficit countries.

SELF-sufficiency in the domestic production of staple grains is generally considered to be an anchor of food security for people. But to sustain food security, as some would like to argue, one need not have to be self-sufficient in one's domestic production. For example, Singapore and Hong Kong are very tiny growers of food but have a titanic record of food security, than major rice producing countries of the region. Likewise, Malaysia is reported to meet nearly 40 per cent of its rice needs through imports. What is then important for food security is achieving food self-reliance. It requires a favourable export growth at the national level, that permits deficit countries to import food from surplus countries, to produce it at a lower cost, and at the household level, generate productive employment that provides adequate income to acquire the needed rice from the market. Neo-classical theory would, thus, dictate that in a regime of higher production costs of rice, a country should import rice from the international market and thus readjust its resources from rice to other crops that are deemed economically efficient.

But a forthright judgment on production vis-à-vis import could turn out to be erroneous and hence counter-productive.

TODAY we live in a complex and closely inter-dependent world. Political security and economic interests of nation states particularly of the big and powerful ones who are in a position to project their strength across their own frontiers sometimes perceive themselves as being affected by disputes taking place even in distant lands. They feel obliged to intervene overtly or covertly in some of these dispute situations. Because of various levels of dependence of many states on powerful ones for military, diplomatic and economic support and assistance outside powers can and sometimes do play a role as much in encouraging and prolonging even purely bilateral conflicts as in their resolution. The UN Security Council, and regional organisations have in many instances also helped contain or even resolve disputes among states. The history of dispute resolution in Angola, Mozambique and Cambodia, to name just a few, suggests that it is not always easy neatly to compartmentalise the relative role of bilateral regional or global approaches to conflict resolution.

Bilateral Contact and Dialogue — Most Effective Means

Bilateral contact and dialogue is the most frequently used and by far the best approach to contain and settle issues and problems. This is more so today than perhaps ever before as the possibility of imposing solutions on others whosoever they may be have been greatly reduced in recent years. Experience in all parts of the world has clearly demonstrated that imposed solutions are both fragile and costly. In any case whether peace is brokered through third parties or international or regional organisations contending sides have a decisive role in its follow up and implementation. The unfolding of the process between Israel and Palestine taking place at this moment is an important case in point.

In order to bilateral discussion to succeed certain pre-requisites are essential. First of all, the contending parties must genuinely seek peace. They must be convinced that the continuation of conflict would hurt their bigger objectives or interests than accepting a mutually agreed solution. The point was dramatically highlighted in the case of the war between Iran and Iraq. Experience in South Asia and elsewhere has demonstrated that sometimes the ruling élite do not favour resolution of conflicts in order to divert public attention away from pressing domestic issues. The change of authoritarian regimes in Spain and Portugal, one may recall, brought about quick liquidation of the policy of colonialism by the two countries during the time.

Recent Developments are Conducive to Peace

A number of developments have recently taken place which support the cause of peace and conflict resolution. The end of the Cold War and the cessation of ideological confrontation and rivalry between the two super-powers are historic events in this regard. The developments have relaxed tension at the global and regional levels. Within nations democratisation of societies, rising pressure for transparency and accountability in decision-making and the needs for socio-economic development have intensified demand for an immediate review of traditional priorities away from national chauvinism war and confrontation to the establishment of peace and stability.

Role of Regional Co-operation in the Promotion of Peace and Reconciliation: ASEAN and EC

Meaningful cooperation at the regional and sub-regional levels can promote understanding and reconciliation among states leading to resolution of even long-standing problems. Such cooperation increases interaction at different levels helping confidence-building and creates new priorities of peace and

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Here again, the influence of giant economies of Asia — China, India and Indonesia — on the world rice market should duly be accounted for. Interestingly, the size of the total international rice market is equivalent to 13 per cent of the rice

needed in China and eight per cent of the combined consumption of Asia and China. If these two countries alone, for some reasons or the other, decide to meet only one-tenth of their rice demand through imports, the additional demand, so generated, might rock the boat in the international rice market. Let us recall that during October 1993 to April 1994, world prices of quality rice surged just in response to a 25 per cent reduc-

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