

Party and the Govt

Prime Minister Sheikh Hasina has been inviting different groups of people to her office to exchange views on important national issues. A few days ago she met with the leaders of left parties who put forward the eminently important suggestion for scrapping the Special Powers Act (SPA). In the latest such parley with a group of intellectuals, the latter suggested that her government and party should be distinctively separate from each other. Another important and timely suggestion. This one upholds the best of parliamentary traditions. Although in a parliamentary democracy a political party is voted to power, the beauty of the system is that the government when put in place ceases to be a party-alone set-up; rather it assumes a national character, wholly and unambiguously.

So the tradition in developed democracies has been to separate the post of executive head of the government from that of the party chief. When Sheikh Mujib became prime minister, he handed over the responsibility of the Awami League to Kamruzzaman by making him the party chief. When the country returned to parliamentary system in 1991, Khaleda Zia did not revert to the traditional practice. So far there has been no indication from Sheikh Hasina either as to whether she intends to revive the democratically proven system.

The images of the ruling party and the government get merged when one and the same person is the leader of the party as well as of the government. Mostly because the chief of the government hardly feels the necessity of distancing himself or herself from the party position he or she holds. This must change — and change for the benefit of both. A government becomes corrupt by its too much closeness to the party. Similarly, the party does not get the attention and services it deserves from the prime minister and ministers because of their preoccupation with governance.

To rise above party politics and assume a distinct identity by drawing a line between where the party interests end and the national concerns begin, the government and the ruling party must become wholly separate. It is time for Sheikh Hasina to do this. As time passes, the image of the government and that of the party get blurred. In this context, can we suggest that she should also make separate appointments to the posts of secretary-general, organising secretary, etc. and not burden cabinet ministers with this extra task. This will also help further separate the government from the ruling party.

Who Wins in India?

The fall of Deve Gowda government in India has raised more questions about India's political drift than answered. As a democracy-loving neighbour of that country having had our own tales of political trials and tribulations, we cannot appreciate the Congress's withdrawal of its support from minority UF government of like-minded 14-parties subjecting the Indian polity to a spell of avoidable instability and uncertainty.

Deve Gowda had been successful to a fault it seemed because he did what was only expected of him as prime minister: he kept from interfering with the process of investigations launched by the CBI in exercise of its independent writ into the allegations of corruption against political heavyweights who included some top Congress leaders. If this made some Congress heads roll then we must say that apart from being short-sighted the Congress has also proved to be extremely vindictive. A party which led India to freedom and ran a series of governments for all but five years since the country's independence in 1947, should not have lost patience on the Gowda government so early in the day knowing fully well that Congress would be exposed to criticism as a power-hungry party and a perpetual breaker of coalition governments since the Charan Singh days if it did so.

Since the major political parties, with the exception perhaps of the BJP, and the electorate as a whole seem hardly ready for the mid-term election, all sorts of permutations and combinations are likely to be tried out to form a new government and save the day for India. One only hopes that the principles of secularism and good neighbourliness which the Gowda-led UF government practised with a tangible improvement effected in the South Asian ambience will be followed by the next coalition government in India if that comes to materialise. Let the constituents of the outgoing UF government rejuvenate themselves and lend continuity to the good work done by Deve Gowda.

And if India is inexorably headed for snap polls and a hung parliament is recreated or the BJP emerges stronger, then it will be the Congress to blame for all that.

Admission to DU

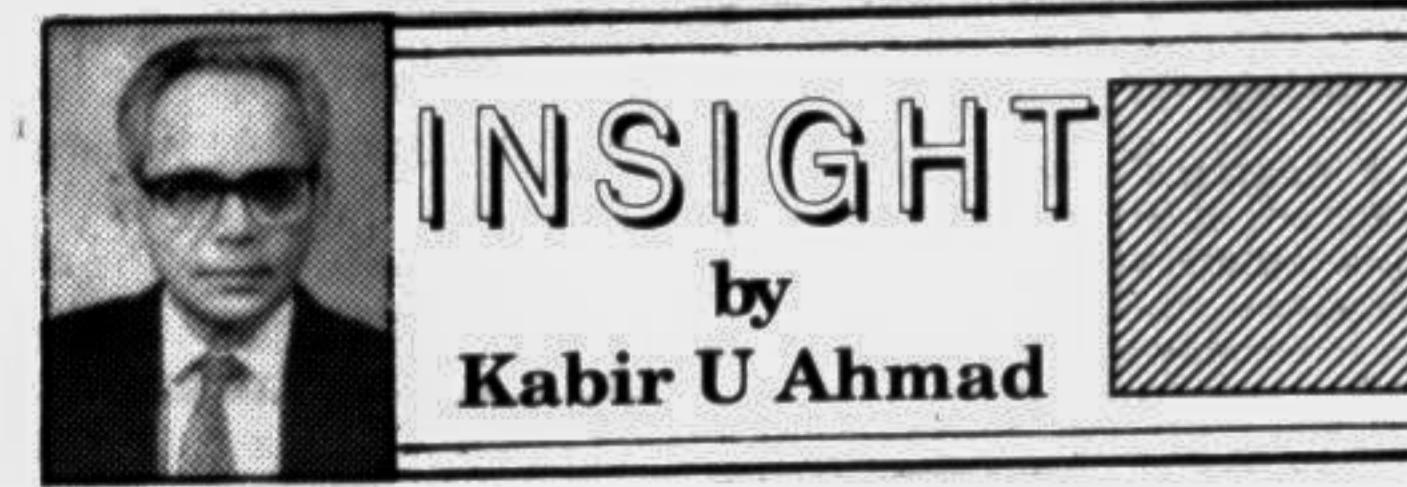
Dhaka University faculties are creaking under a severe pressure being exerted by great many numbers of candidates seeking admission to the first year honours classes. This would have hardly made any news but for the fact that the mad rush at the highest seat of learning has surpassed the last year's level by a modest increase of four thousand only.

Undoubtedly this is a small consolation when the base figure had already swelled to 57,000 applicants last year compared with this year's 61,000. We do not think DU faculties have been expanded to their maximum elasticity in terms of accommodation and capacity to impart education. While we would like that potential to be exploited up to a point by running more than one shifts in the useful branches of knowledge, our principal emphasis is on selective higher education. We are yet to determine the level where most adolescents will have had their terminal education of gainful vocational nature, far less provide for it, to ease the pressure off the seats of higher learning. Just think of the 57 thousand applicants who are bound to be disappointed in their bids for admission a paltry four thousand seats!

The problems of students remaining unabsorbed in the academic streams are as grave as those of economically unemployed youths. Let's have counsellors for them.

Bangladesh in SAPTA and SAFTA

One thing that has not been made clear by the government is the economics of these new trade arrangements. There was a need for a thorough cost-benefit analysis of both SAFTA and the Development Quadrangle to enlighten the people of the country before they could be persuaded to accept these arrangements.



BANGLADESH government seems to have been caught between two economic pulls, one is the emerging global market in the twenty-first century and the other is the regional trade within the South Asian framework of SAPTA, SAFTA and Development Quadrangle among India, Nepal, Bhutan and Bangladesh. It does not look like the government is taking any preparation to face the global trade pattern in the twenty-first century, which is vital for the country's economic future and calls for some drastic reforms in legal, industrial, financial, administrative and regulatory structures, but it is visibly taking some crucial steps on, or almost rushing towards, SAFTA and the Development Quadrangle. Whatever the motivation for the latter steps may be, one thing that has not been made clear by the government is the economics of these new trade arrangements. There was a need for a thorough cost-benefit analysis of both SAFTA and the Development Quadrangle to enlighten the people of the country before they could be persuaded to accept these arrangements. Otherwise, these would create political troubles. A democratic government should be particularly conscious of this need. However, the purpose of this short paper is to have a hard look at Bangladesh's emerging trade pattern with India which may have some lessons for every concerned person.

Bangladesh's Official Trade with India

There are three levels of trade with India: the official trade, the cross-border trade or smuggling and the invisible service trade like Bangladesh's demand for education, health and other services in India. Unless one does a careful study of this latter item of (i.e. invisible) trade, one would not be on a sure ground to present any figure of trade balance on these items. But guesses and estimates of the number of students going to India for school and higher education, and the number going to India for medical treatment, and other services every year is very large. It would be very difficult to give an estimated value of such services without a careful investigation. One hardly sees any Indian demand for similar Bangladeshi services. It goes without saying that it is a uni-directional flow. But one must not make any political issue out of this. Let's be said categorically that until Bangladesh develops similar high quality educational and health facilities in the country which can compete with those in India, it will continue to take place. There is no escape from it. This paper will concentrate only on the official and the cross-border trade only. Look at the table showing Bangladesh's most recent official trade balance with India for the period 1987-88 to 1994-95.

A few observations would be in order. The trade balance with

India has been systematically in deficits and has been growing to a staggering figure of over 600 million US dollars a year. Taking an annual average over the period, Bangladesh's imports are about 17 times higher than its exports. The pattern of trade deficit has become chronic. However, among all the SAARC countries, India's share of exports to Bangladesh, or Bangladesh's imports from India, has increased from 55 per

cent of India for opening their market for Bangladesh's products by reducing tariffs. In the first round of negotiation on SAPTA, India granted tariff concessions to Bangladesh on 106 items from an existing level of 43.7 per cent to 20.9 per cent. In the second round, which is very recent, India has granted another tariff concessions on 513 items. For the effects of this latter round one has to wait.

However, in spite of conces-

Official Trade with India (In US \$)			
Year	Export	Import	Balance
1987-88	9.0	88.3	-79.3
1988-89	9.2	105.4	-96.2
1989-90	20.2	146.5	-126.3
1990-91	24.5	182.8	-158.3
1991-92	7.7	231.8	-224.1
1992-93	7.6	344.5	-336.9
1993-94	21.5	416.0	-394.6
1994-95	28.7	690.1	-661.4

Source: Bangladesh Bank

cent in 1987-88 to 83 per cent in 1994-95. Given the type and limited number of goods that Bangladesh offers to India, one doesn't see much prospects of increasing the number of items in the near future.

Cross-Border Trade

In a recent World Bank study, Trade Policy Reform for Higher Export Growth, August 14, 1996, it has been shown that the total value of smuggled export to India comes to about \$106 million whereas the total value of smuggled import from India comes to \$631 million at 1994 border prices leaving a deficit of \$ 525 million. Among the imports livestock, poultry, fish and related products comes to about 40 per cent, live animals (i.e. cattle) to about 34.2 per cent, processed food and tobacco comes to 18 per cent, agricultural products to 12.4 per cent, processed food and tobacco to 18.1 per cent, textiles to 12.1 per cent, sugar to 5.6 per cent, and other consumer goods to 13.2 per cent etc.

On the other hand, the main items of exports from Bangladesh are: Copper, brass and other metals (58 per cent of the total), fish (33 per cent), synthetic textiles (4.3 per cent), and electronics and spares (4.8 per cent). The latter are Bangladesh's imported items smuggled to India.

What Can Be Done?

By and large, the total deficit in both the official and the cross-border trade with India comes to about \$1 billion per year. Can a country live with such a situation for long? However, realising this miserable state of trade balance, Bangladesh leaders and protagonists of SAPTA and SAFTA seem to be hazardous, exhausting and almost killing. One wishes the government officials and negotiators good luck in their efforts to successful negotiation.

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However, one should note that over the last few years, from 1992-96, Bangladesh has drastically reduced its tariffs leading to an unweighted average tariff rate of about 25 per cent while India's has come down to only 41 per cent. One may, of course, argue that India's import-weighted average rate has come down to 19 per cent but the corresponding Bangladesh's rate has come down to 21 per cent, marginally higher. A careful observer, of course, realises that import-

tariffs, Bangladesh exports have not increased very substantially. The experts have found out that although nominal tariffs have been reduced, there are many non-tariff barriers and direct measures like regulations and VAT etc. The appeal to India now focuses on the relaxation of these kinds of barriers. But on this, there are both the Central and the Provincial governments involved which is a hard task to accomplish. The other most important difficulty is that an item will qualify for export to India under SAPTA if it has at least 40 per cent of domestic input which is very difficult to satisfy for Bangladesh which is largely dependent on imported inputs for processed exports.

The request to India now,

therefore, is to reduce this local input content from 40 to 30 per cent. One has to wait and see whether India accept this appeal and, if it did, then what effect it will have on Bangladesh's exports. The journey to SAPTA and SAFTA seems to be hazardous, exhausting and almost killing. One wishes the government officials and negotiators good luck in their efforts to successful negotiation.

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weighted average tariff rate is not very meaningful if non-tariff barriers are high which is what prevails in India. Bangladesh has more favourable tariff environment for trade.

What is interesting is to see that these non-tariff barriers are providing incentives to Bangladesh's smuggled exports. Instead of crossing the hurdles of tariff, regulations, VAT and other things, a trader would like to have the Bangladeshi goods cheaply across the border by paying a small amount of bribe to the border police. In this process, the government loses the tariff and VAT revenues but the consumers are getting the goods cheaper and the middlemen are making some money in the process. The consumers are also getting imported goods through Bangladesh cheaper than what they would have to pay if these re-exported items like electronic goods and spares were imported directly into India. On the other hand, Bangladesh doesn't have that many non-tariff barriers but some goods like poultry, livestock and related products, live animals, textiles and processed foods etc. are coming into Bangladesh against which government is losing revenues but consumers are getting benefited. There is an asymmetry here. This issue needs further exploration.

Some Concluding Remarks

It would be very difficult for Bangladesh to find profitable export market in India. It should continue to take advantage of export markets abroad. Its exports to the world as a whole has increased by 38.43 per cent over the last ten years (1984/85-1994/95) but its total exports to the SAARC countries has declined from 9.73 per cent to 2.35 per cent. On the other hand, its export to North America, Europe, East Asia and Middle East has grown by 87.45 per cent, 67.6 per cent and 27.5 per cent and 6.06 per cent respectively in the same period. It would be sheer foolishness for Bangladesh to try to divert its export trade to South Asia withdrawing from the world market because the total of trade diverting and trade creation effect will be far less than what Bangladesh is now enjoying in the world market since South Asia is a slow-growing and non-tariff barrier-ridden region.

However, Bangladesh should stay with SAPTA as far as it has gone and should not waste its energy and effort in promoting SAFTA. Bangladesh has to keep importing inputs like cotton yarn and fabrics from India for its export items and pay for whatever deficits it incurs by hard currencies. As long as its export industries can exploit its cheap labour and raw materials, and can efficiently produce its quality products, it will have no problem in finding markets abroad. It should look for its future to the outside world than to South Asia.

Dhaka Day by Day

Charm of Adda on Campus

by ASM Nurunnabi



named 'creative chattering'. It is not known why this spot is so named but it is reputed for serving good quality tea and is also a centre for creative discussion. However, what creative discussion means is not clear. It is situated near the Modern Languages Institute of the Dhaka University. Here also the seating arrangements for the students are similarly primitive.

In this chain, we have an interesting venue designated as 'dil chattr'. The name suggests that it has something to do with matters of the heart. It is situated on the right-hand side of the historic 'boti mul' of the Arts Faculty building. It is said that here, in place of group assemblies of students, more common sights are those of gossiping in pairs.

The origin of the name 'chattr' for the poor is mysterious, because the students of the university do not fall into categories of the rich and the poor and all students, irrespective of their financial status, have equal access to it. The tea stalls here, however, do brisk business.

Other noteworthy venues for adda of the students include Friendship Chatter and Milan Chattr — all near the premises of Dhaka University. Besides these, there is a vast circle of adda spots for the students covering such places as Poet Nazrul Islam's mazar, Arts Institute premises, Curzon Hall, wide spaces of TSC, etc.

We thus find that adda forms an essential element of entertainment, innocuous in form for a large section of the student community. This adda culture does not seem to be in any way different from similar cultures in other countries, both in the West and the East, where students, by their very nature, are inclined somewhat to idle gossipings at intervals for relaxation.

OPINION

An Example to Emulate, an Opportunity to Utilise

Md Masudul Huq

South Korea's entry into the Organisation for Economic Co-operation and Development reflects the widespread admiration for its recent economic achievements across the western world. Since 1963 the country has enjoyed an annual average 8 per cent growth rate, its output has increased 12-fold and annual income per head has climbed by 700 per cent, to \$10,076 last year. Moreover, South Korean policy makers say that by early next century their country will have become the sixth most advanced OECD economy, surpassing UK.

At the end of the Korean war in 1953, their economy lay in ruins, virtually stripped of its capacity to produce chemicals, metal products, mining with just a handful of trained technicians and engineers.

Today South Korea is the world's leading supplier of computer memory chips, the second largest ship builders after Japan, the third producer of semi-conductors, fourth makers of electronics, the fifth car maker and the sixth crude steel producer. For a country of 44 million people with few natural resources, this is an extraordinary achievement.

The OECD suggested that if South Korea continued to expand at its present growth rate, annual per capita income would double to \$20,000 by 2001, bringing the country to levels comparable with Spain and Canada.

But whether the economy can continue to grow at the galloping pace of the past 20 years in the immediate future is a matter of open debate in the country. After last year's phenomenal 9 per cent growth rate, the economy has been calling off. This year may not represent a crash landing, but by South Korean standards it has created some anxieties.

The most noticeable trouble has been the abrupt drop in export growth, mainly due to a sharp 20 per cent fall in world semi-conductor prices during the first seven months of the year. As the export volume of semi-conductor climbed by more than 50 per cent in 1995 to take an 18 per cent share of the country's total exports, any sudden downward lurch in their prices was bound to hit the economy.

The weakening of the Japanese yen has also con-

Saturdays respectively.

Now the question arises: what do the Muslims of Pakistan should do on Sundays?

Surprisingly enough, some people in our country are trying to implement the decision of Nawaz Sharif in our country. They say about our international trade and other issues. In fact, it is because of their stark ignorance with such a lame excuse. Friday as the weekly holiday is not a problem in our international relations. Our country has increased its exports and imports tremendously for the last 15 years. Neither Sunday nor Friday is any problem — but the problem is the unstable situation of our country. If a country has good relations with our country no Friday or Sunday can make them disinterested to invest in our country.

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Sir, Thanks to Barrister Abdur Razzaq for his courageous letter published in your esteemed daily on 30.3.97 under the caption "Is it inferiority complex?" Nowadays, we hear rumours that