

Good Decisions, But ...

The second meeting of the National Environment Committee on Sunday yielded a number of very promising observations and decisions — all very relevant and even of urgent nature. But one can hardly avoid having certain misgivings about such pronouncements on this vitally important aspect of the physical existence of this nation. When was the first meeting held? In January, 1993. The present wholly unacceptable environment-management situation warrants that the committee meet often than every four months. Misgiving number two was expressed by the Prime Minister herself during the meeting. She said some important decisions were taken in the 1993 meeting and these were never implemented.

Black smoke is increasingly cutting out sunlight from the sky of Dhaka and filling the chests of the eight million Dhaka residents. Not one of the tens of thousands of motor vehicles plying the capital's streets has been effectively deterred from perpetrating the crime. True, a 50 taka fine can hardly do that. But how many have actually been fined? Fact number two: the use of polythene bags is increasing at a geometric progression rate. The government has done nothing to revive and put into effect an earlier decision to ban this.

These are facts that do not help build confidence into the good words of committees and ministers. We very badly need something, very urgently, too, to build our confidence on. One of these can be for the government to practise at home what it preaches others to obey. Decide and proclaim that in three months' time no government-owned or semi-government agency-used vehicle will belch black smoke. May be thousands of these cannot be rectified within the stipulated time. These than shall be under repair and shall not go on the street.

Then minibuses should be phased out as surely as the two-stroke scooters and tempos — and as soon and as exhaustively. It will be foolishness to increase double-deckers without doing a thing about minis and scooters.

The 'environment court' sounds such a promising thing. Courts mean litigation. Who will prosecute whom and under what law? Can a system of courts operate on one act only? And if the punishment for falling foul of law remains at fines not forbidding — what use will be these courts? But, supported by appropriate enactments, these courts can be of immense help to the government in their fight to conserve the environment.

Some Novelty, Please

Feni had caught cold quite a while ago but it is now Chittagong which is sneezing. BNP has called for a dawn-to-dusk hartal today in the whole of Chittagong division catching in the web the port city where Mayor Mahiuddin has thrown a challenge, to resist it raising thereby the spectre of a show-down. This precipitate and avoidable test of strength bearing portents for an eye ball-to-eye ball situation and eruptive violence is an abhorrent prospect and a damning indictment on our impatient politics, chronically devoid of economic sense and consideration for development.

BNP's reasons for the strike call in Chittagong, the second in the country during the last ten months of AL rule, are the government's 'failure' to punish the killers in Feni and 'its continued repression on BNP workers'. Begum Zia has claimed that in Ramgati alone 700 cases have been filed against her party workers. Since she is giving a specific number, she should be able to name them on a list and submit it to the home ministry under intimation to the public. If, on verification, this is found to be true, then the government owes the public an explanation no doubt.

We must repeat what we have said several times before that BNP's allegations of the ruling party's repression on its workers, including the mayhem in Feni, ought to be taken very seriously by the government and addressed in a manner that helps confidence-building to ensue between the two parties. The exchanges of stock diatribes only lead to a hardening of position. Administrative matters should be resolved administratively, not politically.

We see a glimmer of hope in the assurance Begum Zia has given to a BGMEA delegation which sought her help in exempting the garment factories in Chittagong from the strike that the matter would receive her favourable consideration in the future. A start with the garments sector in rolling back the legacy of total standstill in strikes will be highly welcome much as it would dignify opposition politics with a higher responsibility rating.

Satellite Towns

Minister for Housing and Public Works Mohammad Nasim has disclosed a government plan for satellite towns around the Dhaka city designed to reduce population pressure and infrastructural load the metropolis is hopelessly reeling under at the moment.

When a city creaks under the deadweight of over-population it either seeks a reprieve through an overhead network of express-ways or by-passes or goes underground or goes in for both.

Singapore is a case in point where the now-tranquil surface is largely bedecked with flower gardens around the high-rise residential blocks while the underground is the real operational area for mundane affairs. These represent the latest in innovative and modern urban management and living conditions already extensively prevalent in contrast to our fiddling with the idea of satellite towns dating back to the sixties.

So, let's get on with this unfinished agenda on a double-quick basis and have those satellite towns in place for an early dispersal of people away from the metropolis. Dhaka city principally should be the work-place and the suburban belt the living space with shuttle trains operating between the two for convenient and cheap commutation. The pressure on housing and transport will ease off in Dhaka as its pollution level falls drastically. It also makes a robust economic sense in terms of monetary savings for the city-dwellers and their consequent investment for a better future.

Review of Bangladesh Development, 1996

How do we get out of this vicious circle of willful defaulters who still continue to vitiate the prospects of industrial growth? This is the key issue.

THE Centre for Policy Dialogue (CPD) has recently brought out the second of its review of the economy and to say the least, it was a good piece of work, thoroughly well done and deserves our heartiest congratulations. There will be differences of opinion, no doubt, but sincerity is the hallmark of the report and in spite of disagreements, the usefulness of the report cannot be questioned at all.

The Review of the past year has raised the basic question at the outset — growth or stagnation? Last week I wrote why the economy is not moving in the sense that the desirable speed could not be achieved thus far. After almost one year of the new government, the signs of rejuvenation — like rainbows up on the rainy sky are not firmly visible to the millions who voted Awami League to power. Also, the expectations from the party is also relatively high — particularly to the majority who are neutral. This is a fact which is not easily appreciated. But like it or not, it is true. I sincerely believe in it. The vital changes to the national economy can be brought about by the party whose roots are almost half a century old. It can be brought about by the only party where the second generation leaders have taken over. Who else can ever do that?

The review raised the question of growth or stagnation. Perhaps it was not the purpose to proceed further from there. It may therefore be appropriate to raise certain issues which would lead to a more direct answer to the basic question of the review exercise.

The review emphasised the need for resuscitation of the large number of sick industries. But some of them are sick for such a long time that the illness is terminal and they should better be dead instead of being kept alive through waste of public revenue. A bold new approach is necessary. It is not relevant to follow the past trends. Our development approach might be different — unique to our own situation where past practices only indicate that those should be avoided. The review mentioned that the beneficial impact of imported capital goods in terms of expanded manufacturing capacity could not be isolated, perhaps because it is too early. However the prophetic pronouncement of an impending

ing disaster in terms of the emergence of a new cluster of sick industries does not help either.

There is something basically wrong with the present loan financing of industrial projects. The general perception is that the actual equity funding tends to be zero. Cost of imported machinery, equipment and other related items purchased out of the loan component of projects are deliberately inflated and funds are later on ploughed back as equity and sometimes, a part thereof constitute a net cash return to the beneficiary. As a result, the debt burden is so heavy that they cannot be repaid and it was not unknown to the borrower from the very beginning. Plain and simple, the investment practices are most unsound.

No realistic or truthful appraisal is carried out. The inevitable result will always be sick industries.

How do we get out of this vicious circle of willful defaulters

industrial policy.

In this context, the suggestion to set up a new Commission to review the comparative performance of SOEs and former SOEs, now privatised, is entirely out of place. Any industry once set up is not supposed to run in perpetuity. If it is found more profitable to close down an industry and construct residential houses — the owner should be at liberty to do so. Both entry and exit should be a normal affair in any market economy. The bold new industrial policy should ensure that there are very many more new industries coming on stream — after taking into account those which are being closed down. This is the process of restructuring, we must appreciate.

The review has very rightly pointed out "the issue of investments designed to service our RMG exports thus remains a central theme of our prospective industrialisation strategy and our export programme. First should come the massive

growth rate will continue to remain a distant mirage unless within the next five years we have made massive investment in textile first, and other labour-intensive manufacturing, the next. It is so important that for the next 12 months, CPD may focus all its attention on this matter. At the same time, prospects for labour-intensive industrialisation is limitless and it must be done. Where there is a will, there must be a way for it.

On foreign investment, I think the review had missed the point.

In a country, where domestic investment is lagging behind, how can we expect direct foreign investment (FDI) to flow in? It is not a question of Bangladesh being less command-oriented than Vietnam. We face a situation where bad investors are driving out good entrepreneurs out of circulation. Secondly, only a very few large scale investment in the energy sector can tilt the balance and if the government can finalise the deals, such investments should be forthcoming within a short while and we may exceed the volume of DFI in Vietnam in no time. The efficiency of government decision-making is critical in this respect and once the handful of industrial leaders are in place, other investors from abroad are likely to follow soon.

Since the review period, the prospects of the Gange Brahmaputra-Meghna growth triangle has been a major development which may substantially alter the future patterns of development. Not only that, sub-regional cooperation might settle the issue in favour of growth and not stagnation of Bangladesh economy. Hopefully, the 1997 review will pronounce that verdict.



Window on Asia
Shahed Latif

who still continue to vitiate the prospects of industrial growth? This is the key issue. A way out may be to set up a factory development company which will construct factory buildings with all utilities included and rent them out like any residential building. Standard sets of machinery and equipment will be bought and also leased out. The most important thing is that there will be no payment in cash which tends to be leaked out. Under such a situation, only real entrepreneurs will come forward.

Perhaps a good beginning can be made by leasing out the existing loss-ridden government industrial enterprises or privatise them outright against cash payments once for all. The review has suggested in favour of giving a new lease of life to SOEs which is against the philosophy of the new market economy. The government has no longer any business to be in business and sooner it gets out of the manufacturing sector — the better for the proposed new

investment for yarn and fabric manufacture, followed by new generation of export industries in the area of consumer electronics, leather and silk products, gem processing, soft toys and computer software." The types of industries are well identified. The design of these factory buildings and required machinery and equipment are also fairly well standardised. In addition, internationally well reputed firms can be engaged to assist in such a standardisation process.

There after, the proposed factory development and large-scale leasing companies can take over as the main promoter of industrialisation programme where the purpose will be to support the genuine industrialists only. Since there will be no immediate cash involved to bootstrap private accounts, the spurious cash hounds are not likely to sniff around and distort the programme.

The industrial programme is the key to our salvation. The much sought-after 7 per cent

To the Editor...

Believe in yourself!

Sir, It is my deep conviction that to succeed in life, you first have to believe in yourself! In our country, there is certainly a lack of this basic virtue. We cite honesty or truthfulness as one of the very innate qualities if we are to go forward in life. This is a theoretical assumption. Practical life is not ruled by this quality.

Nevertheless, we should incorporate the use of honesty in our daily life. My opinion is that a person can never be honest wholeheartedly if he or she does not believe in himself or herself first. We have to realise our worth first, in order to be able to condemn or praise another's worth.

The point I am trying to make here is the sorry state of our country — its inefficient, corrupt people, its weak government structure, its dirty, dishonest politics, its very false projection of itself both at home and abroad. By being dishonest about these facts, we are deceiving ourselves. It is about time that we faced up to the truth and started from a good note, where our primary concern will be to believe in ourselves!

Farzana Yasmin Mannan
Shambazar, Dhaka.

Allegation of opposition party

Sir, Though it is a fact that during '72-75 period, the then ruling party by using their various pet forces has killed thousands of opposition political activists to mumm voice of protests, but the allegation was never substantiated with proof save some books like 'Bangladesh: The Era of Sk. Mujibur Rahman', 'Itihash Kathagar Awami League', and 'Kathamaral Rajnit' those depicted a few incidents of those dreadful days, as a result the party accused has denied the allegations saying that it was a propaganda against them to undermine their image in the eyes of the people.

However, the party in question never denied the fact that they had banned all political parties and newspapers because there are proof in this regard. Now allegations are being made by the opposition BNP that thousands of its activists are harassed and more than hundred activists has been killed during the nine-month rule of this government. The leaders of the opposition have not produced any proof thereof before the people. We feel that proper record of the misdeeds if any, of the ruling party should be kept and be produced before us in due time so as to ensure that in the event of coming of a new government the allegations now being made cannot be denied by the present ruling party presenting lame excuse of want of proof.

Saokot Hossain
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Ban toll collection

Sir, The other day my small office was virtually gheraoed by a group of young men who politely asked for subscription in the name of their educational institution for some cultural function. This is a common sight in the residential and office areas, facing these chandawallas several times a month.

The previous regime could not control this menace, and the present government appears to be powerless, and is silent about it. In these dangerous times, it is risky to say 'No' and get away with it; as frequently, the gang come back and damage property or roughen up the people.

The state has to provide security to the citizens, but the regime is rather callous on this issue — frequent reminders are not issued to the law enforcement agencies to curb this nuisance. The deterrent punishment is lacking, as the name of the regime is indirectly hinted in an intimidating manner. How to deal with wayward 'students' who are the darlings of the politicians? Break up this image.

This seemingly 'patronising' culture goes against the image of the regime and has to be firmly discouraged. Toll and subscription collection in any form should be BANNED by law immediately. (as done for sprinkling coloured water and fireworks).

There is no publicity campaign in the mass media and political speeches against mass-taan-oriented chaanda collection. In fact, it was banned by the previous regime, but the implementation was not strict. The present regime has not revoked that regulation. The political leaders are silent about this social menace.

The recent death sentence to a young offender for burning up a girl to death is the right approach for the delinquents in the society. Political anarchy encouraged this type of lawlessness in the society, so now the politicians in power have to take the initiative to control it.

A Zabr
Dhaka

US role in the Middle East

Sir, Both economically and militarily, the US is the only undisputed superpower on earth today. The US has, therefore, a moral obligation to play its part as an honest broker in all world affairs wherever there are any conflicts. The question, however, is whether the US has been discharging this moral obligation honestly and fairly. When Iraq invaded Kuwait in 1990, the US, without even waiting for a formal UN resolution, assembled a formidable military force in the Middle East almost overnight in order to right a wrong.

The world community rallied round the US as its action was considered to be for a just

cause. But what we see of the US stand today is something completely different; and one is, therefore, inclined to wonder whether the US role in the present conflict between the totally unarmed Palestinians and fully armed Israelis is at all morally just and fair. While the entire world without a single exception, including all US allies and also all great powers, wanted Israel to halt its proposed new Jewish settlements in the occupied land in East Jerusalem, the US alone thwarted the efforts of the entire world although, just only a few words from President Clinton asking Israel to halt the settlements or otherwise face the loss of American aid, would have solved the whole conflict in no time and peace would have again returned to the region immediately.

Not only has the US gone against the wishes of the whole world, it has also gone as far as publicly announcing that it will ensure Israel's military superiority over its Arab neighbours. Can the present US role in the Middle East conflict be said to be morally right and conducive to peace or does the US still believe in the medieval concept of might being right?

A Quayum
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BTU cricket videotape

Sir, The BTU videotape on the various receptions to the victorious Bangladesh cricket team on the Bangla New Year Day in Dhaka and elsewhere may be edited and released commercially for sale in the market at subsidised rate, so that a copy could be acquired even by the humblest home. Also, a CD (compact disc) may be released.

A Husrain
Dhaka

Khan A Sabur

Sir, Professor Muntasir Mamun of Dhaka University posed a question to journalists of Khulna on 27th March '97: why has the main road of Khulna been named after Khan A Sabur? Late Mr Sabur worked against the Liberation War of 1971 and thus his name should not be associated in naming streets!

However, it reminds me that initially Khulna was a part of India after partition in 1947 for three days at least while late Khan A Sabur played a significant role to reunite the partitioned Khulna as a part of East Bengal, subsequently East Pakistan in 1956 and Bangladesh in 1971. Since Muntasir Mamun is a great historian and in the context of Khan A Sabur's contribution, the people of greater Khulna owe a lot to him as detailed.

Let the learned readers focus their opinion in respect of acknowledging contributions cited herein!
Mahfuzar Rahman
Bagerhat, Khulna

OPINION
The Debate on Transit: A Lesson from the Public Choice Theory

Wahiduddin Mahmud

The public choice theory lies in the borderline of economics and political science and represents an attempt to apply economic tools of analysis to explain political behaviour. One positive implication of this theory for a two-party democratic system, as derived from the so-called median voter rule of political equilibrium, is that it will pay both parties to take up moderate policy positions close to each other, each seeking to command all votes to the left or right of the spectrum. If, for example, the right-leaning party is tempted to move farther to the right, it will gain no new votes but will lose some support from the centre-right. Even if the two parties initially choose to take two extreme positions, this will not be an equilibrium since either of the parties can gain by moving towards a more moderate position. (An analogy is two competing ice-cream sellers standing together in the middle of a long beach.)

Unfortunately, the above prediction about competitive party behaviour will not hold if policy choices are misleadingly presented in terms of two extreme alternatives (which they rarely are) so that the two parties take extreme positions and engage in divisive politics. Creating awareness among voters about the range of policy options that are available would help remedy such a situation since the parties will then compete for votes by moving closer to each other. But even this will not help if party behaviour is guided more by ideologies, emotions and prejudices than by the goal of maximising its popularity among the electorate.

A parallel to the above situation may be drawn with regard to the present political debate in Bangladesh about whether or not to offer transit facilities to India. Instead of conducting this debate in terms of a simple

'yes' or 'no' answer, we need to recognise that there is likely to be a range of options in between the two extremes of either meeting India's entire need for transit all at once or allowing no transit whatsoever. The first option can be ruled out simply because it is beyond the physical capacity of our existing transport and port facilities which are inadequate even to meet our own domestic need. If we are to plan for the expansion of our physical infrastructure in order to be able to offer transit facilities to India at a future date, then we need to estimate the expected economic returns from the investments that will have to be made and compare such estimates with those for other alternative uses of our scarce investible resources.

On the other hand, we may consider offering some limited transit facilities for a selected number of items to be transported through some specified routes and/or shipped through the Chittagong Port. If these items are of high value (that is, less bulky in relation to price), then it may be both feasible and economically profitable for us to offer such transit facilities. Much will of course depend on what rates of tolls and charges we can negotiate. The transit arrangements may also involve Nepal and Bhutan. If, further, such arrangements were made for a given initial period with no obligation for Bangladesh either to allow extension beyond this period or to expand the list of allowable items, then it is worth debating whether there will still be any adverse implications for our national security. Surely, there is a whole range of options to be considered. Why then cannot we have a dispassionate and informed public debate on the subject?

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Indian Scene: Midterm Elections Averted

by Zaglul Ahmed Chowdhury

WHEN the new Indian government headed by prime minister Inder Kumar Gujral won the vote of confidence in the lower house of parliament (Lokshaba), Speaker of the House A P Sangma did not ask for a division vote but merely called for voice-vote which the new government easily won. There was no division vote because by that time anxiety and tensions have already subsided and the voting was only a formality. Since the Congress, which three weeks ago pulled the I D Deve Gowda government down from power by withdrawing the crucial support, has now come out with fresh support to the same United Front government barring the earlier leader Deve Gowda, the majority for the new UF government led by Gujral was already ensured. With the combined strength of the UF of 185 members and the Congress of 140 members, the necessary absolute majority of 273 members' support in the 545-member lower house which is required to form a government was guaranteed.

There was little suspense whether the new government would be able to win the vote of confidence and hence it was deemed of a chapter that has already been resolved following hectic parleys among the political parties concerned.

There was a necessity to find a resolution to the exacerbating political crisis since the country could not afford delay in taking steps for a way out to the situation triggered by the fall of the Gowda government. The budget had already been placed and a political picture must emerge before April 21 when the parliament was called to meet to discuss the budget. The stock market in Bombay was sluggish and the economy was also waiting to see what happens in the federal capital for a solution of the political problems; who would come to power or if the country was moving toward snap elections within too short a time from the last polls? The anxieties were at their heights and the major players of the political spectrum of Indian scene could not take much time for presenting themselves in a pattern that gives a settlement to the crisis. Other than the president Dr S D Sharma was at the helm to take a decision — which could be holding fresh polls even if it were within a year of the last elections because political parties were failing to resolve the imbroglio.

Pressure mounted on the political parties or the groups, and in the prevailing circumstances only the Congress and the UF could come together to save the situation since both are averse to any kind of understanding with the single largest party in the lower house — the Bharatiya Janata Party. Dr Sharma was sending messages of imperativeness for reaching a rapprochement in quicktime lest he had to take a decision on his own. The Congress and the UF which even did not feel like talking to each other after the UF squarely responsible for the political crisis. But the scenario had changed by then and time was passing out very fast. It became clear within a couple of days that new UF government was coming in India but it was

still unclear who would head the government as, at least, three names were making the rounds in the political circles to replace Deve Gowda as the UF leader. Suave, scholarly and erudite Inder Kumar Gujral, who was continuing in the caretaker government as the external affairs minister, emerged as the successful contender in preference to more talked-about G K Moopanar of the Tamil Nadu Congress. He took over as the 12th prime minister of India ending the three-week political uncertainty. This has saved the country from an inevitable midterm election which might have been the only option for president Dr Sharma, even if the decision was not desirable, had the political leaders not reached a rapprochement.

It is difficult to say if India will still experience a snap election after all these developments but one thing is certain that no such polls are in the offing in the near future. It is not a breathing time but it could be a long period for the political parties to rehearse for the next election which are normally due after four years but could come much before that although not immediately. Judging by the indications that have come to the fore following the formation of the government in the light of consultations and support, the government may last to ensure that no snap elections is held at least before two years. If the honeymoon continues unabated ignoring the problems that are likely to come up between the UF and the Congress or within the 13-member UF, the government's life could be further stretched and an optimistic could predict that the alliance would last till the term is over. However, given the hostilities between the UF and the Congress that have been brought under control for the time being for formation of the government, problems can arise anytime although few would think that such problems could be there in the near future because both the sides would project themselves as ridiculous in such an event.

How does the Gujral government look different from the earlier UF government? How differently it would perform than the Deve Gowda government? How long the Congress and more particularly its president Mr Sitaram Kesri would remain content only by extending support to a group of political parties, itself or himself not coming to power? Can the Congress support be taken for granted or would it seek to exploit the earliest opportunity to form its own coalition government or force midterm polls when people would forget its recent adventure in which its attempts to come to power proved abortive? What would be the strategy of the largest party in the lower house — the BJP — which is clamouring for fresh polls even after the installation of the new government since it feels the development is not a solution.

Here one has to remember that the ceremonial presidency of India can play an important role during the crises like one that India witnessed recently. When India had full political stability like during the early two decades of its existence when the Congress ruled the

roost by enjoying total absolute majority in the Lokshaba, the presidents of the country used to be mostly the intellectuals with comparatively less political identity. But gone are the days of Dr S Radhakrishnan or Dr Zakir Hussain and over the last two decades mostly political figures are made the presidents. It can be explained by the fact that during the last two decades the absolute command of the political parties in ruling the country has diminished and hence political president's role become more important. Zail Singh, R Venkataraman or present incumbent S D Sharma or before them V V Giri or Sanjiva Reddy — all fall in the category of political presidents. A political figure can obviously judge things better in political crises that have characterised Indian scene for last several years when seldom a government could complete five-year term because of lack of majority support, and for squabbles. P V Narasimha Rao's government somehow worked for last two years though it began initially as a minority government. Dr Sharma was clearly disturbed over the present crisis when he might had to take a decision like snap polls while electorate would have certainly not liked such a development.

Political compulsions forced the Congress and the UF reconcile their positions and reach a solution at least for the time being. Here, the wisdom of the president did play a role and he even went to the extent to know from the Congress how long the support to new UF government would last since Congress earlier withdrew support at the end of ten months and that too abruptly. Sitaram Kesri whose strategy to bring Congress to power and materielise his own ambition to become the prime minister was at the back of the decision to withdraw support to the UF government but when the move backfired, it looked for a face-saving formula because fresh elections in any case would not have favoured Congress.

But how long the Congress would extend support to the new government? Certainly it will look for pulling the carpet from under the feet of the Gujral government but this is unlikely to be in the near future. The BJP cannot sit idle in this situation and seek to keep the pot boiling and it remains to be seen to what extent it succeeds in its task. Besides, the UF has contradictions and many fear it may crumble under the weight of diversities in the long run. The communists have said they want amendments in the budget placed by the UF government and its former finance minister P Chidambaram. CPM leader Dr Ashok Mitra said the amendments have to be accepted. The CPM is a part of the UF but is not taking part in the government where as CPI has ministers, most notably home minister Inderjit Gupta.

In the present circumstances, the new Indian government is set to be there for quite some time barring unforeseen developments. It is also possible that Moopanar's Tamil Nadu Congress will again join the government. The government may experience minor problems but not major ones immediately.