

Slums Relocation

Resettlement of the city's slum-dwellers under the proposed Urban Poverty Reduction Project is facing a problem in finding lands to be acquired for the purpose. At a meeting attended by representatives of the Asian Development Bank (ADB), different concerned ministries and agencies the participants discovered themselves in a thick soup over the acquisition of the most important requirement for the project. They, however, agreed to request the ministries to find khas lands under their possession but with no possibility of bringing those to use in the next 10 years. According to the plan, the settlers will eventually have their permanent possession established on the plots and the structures on them. Therefore, this being a permanent allotment, the exercise has to be done carefully so that it does not disrupt or create hindrances to the city's future development plan.

As the Centre for Urban Studies' last survey of 1989 found there were 2,156 slums in the city. The figure might have gone up to 3,000 by this time. This shows that the problem of slums, if left alone, will simply proliferate. So there can be no justification in delaying a decision on the issue of land acquisition. The further the delay is greater will be the number of slums in the city. A prospect so forbidding can never be welcome to the city planners. Because the proposed project has an ADB component of \$20 million in a total outlay of \$28.5 million seeking to give for the first time a realistic chance for doing in a planned manner something for the city's deprived citizens on whose labour actually depend the services in the informal sector.

The aim of the project is to provide for slum-dwellers some minimum basic facilities of city life. One appreciable merit of this project is to involve the prospective beneficiaries in the construction works to be undertaken for its implementation. We would like to view this participatory programme as a first step towards integration of the project into the city's development plan. People who virtually run the city's informal sector should not be pushed to lead a peripheral or marginalised existence. Under an integrated plan they must be accommodated in the overall scheme of production and services of the city. Let the project initiate the process.

Good Move

The wind-pipe of the financial sector is choked by a dead-weight of unrecovered loans estimated at a whopping Tk 12,652.76 crore as on April 30, 1997. More than 26 thousand loan default cases are reportedly pending with Money Loan Courts functioning in only 19 out of 61 districts there are in the country. The jam explains why despite a determined government bid spearheaded by Rin Adalat (Amendment) Act, 1997 and a duly enacted bankruptcy law the size of outstanding loans could not be drastically reduced by speedy recoveries. True, the present government's creditable initial drive has succeeded in mopping up Tk 2000 crore plus from law-abiding defaulters till April 30, 1997, but is now pitted against the hard nuts to crack with respect to over Taka twelve thousand crore in arrears.

The glut in the disposal of default suits is not solely because of the small number of Money Loan Courts (MLCs), two additional factors have also worked in tandem to slow down the legal process: first, the designated judges could not work whole-time for the loan-related cases as they had to simultaneously attend to civil and criminal cases; and secondly, even though the law governing the Money Loan Courts (Rin Adalats) has taken effect some of its shortcomings are being exposed while settling the cases.

In the light of such practical experiences, the government has decided to set up Money Loan Courts in all the 61 districts of the country; have four separate MLCs for Dhaka and two for Chittagong; and above all, constitute a separate Division Bench to exclusively hear appeals emanating from money loan and bankruptcy-related cases. The special loan courts all over the country will have Addl Sessions Judges, Asst Sessions Judges and ancillary staff meant exclusively for these on a full-time basis so as to concentrate entirely on the adjudication of money loan disputes. We commend these planned steps of the government and seek their early implementation not only for recovering but also as a potential deterrent against default culture in the future.

Lesson Learnt?

What is most hurting about the deaths by electrocution of garments worker Nargis (22) and grocer Nazrul Islam (35) as they tripped over a live pole or a snapped wire within 15 hours of each other at Pearabagh in Maghbazar is that these were palpably avoidable. In these days of squally wind and heavy rains if some DESAmen had made it a point to go around and spotted the earthing of the pole or the exposed live wire in good time for saving those two lives they would have only done their duties. And if they had not been a slave to their habitual dereliction of duty even after the receipt of information regarding the electrocution of Nazrul Islam on Thursday night, Nargis' life would surely have been spared the same fate on Friday afternoon.

The DESA people must have learnt their lesson from the public wrath they took fright of when trying to visit the place of occurrences. They could only dare go for the repair work some hours after the incidents and only with truckloads of policemen by their side — just in case! The moral is a stitch in time could have kept the mob scare away.

Nargis and Nazrul were the sole bread earners for their families. Electric supply and maintenance personnel would do well to remember that for a healthy future motivation, specially during a stormy season, they must be quick to respond to any SOS call.

Budget 1997-98: Some Comments and Questions

by M Syeduzzaman

The Budget has three innovative proposals for old age pension, creation of "Housing Fund" and an "Employment Bank." These demonstrate the long-term commitment and objectives of the government for poverty alleviation and social justice.

BUDGET reflects the socio-economic framework and political philosophy of the government, has to be placed in a realistic macroeconomic framework, and is the most comprehensive policy instrument for ensuring economic growth and stability. It has to reflect the long-term perspective and goals, and is also the instrument of short-term economic management. Balancing these two aspects is not easy. The budget proposals of the government for 1997-98 clearly illustrate this conflict. The Finance Minister has ably articulated the long and medium term goals of the government, as in last year's budget speech. These are: raising investment for growth of the economy, generation of employment, reduction of poverty, and human resource development. The strategy for achieving these goals as articulated by the Minister is to pursue a set of (well-known) economic reforms, ensure comprehensive support to the growth of the agriculture sector, and provide an environment for export-oriented industrialisation. While these are unexceptionable goals, debate has already started as to whether the proposed fiscal measures and allocation of expenditure in the budget for 1997-98 will help to further these objectives. Some of these controversies are misguided. The efforts for raising higher revenues should be appreciated and should not be undermined. The concern for all-out support to the agriculture sector deserves full endorsement as does the priorities attached to education and rural infrastructure.

A legitimate question that arises is whether priorities on an overall basis have been correctly determined to support the long-term and long-term objectives. A clear example is setting up of a Pay Commission before reform and reorganisation of the administration and reduction in the size of the government. Assuming responsibility after 21 years, the government was naturally expected to take stock of the state apparatus and the state resources before making expensive commitments which have the potential of distorting priorities. Now that this is a settled matter, the efforts of the government should be to

minimise its adverse impact on the economy. The moral side of this issue is that a few thousand employees and privileged public servants in the seat of the government appear to have elicited from the government commitment for a huge amount of recurring expenditure for their benefit. These resources could be used for the benefit of millions of unemployed people and millions below the poverty line who do not have any organised bargaining power! In a situation of shortage of investment resources and a low level of public savings, such large increase in recurring expenditure is anything but growth-oriented.

The projected growth in revenue receipts is obviously based on assumptions of higher imports and higher economic activities as the agriculture sector directly contributes very little to public revenues. The pace of utilisation of foreign aid is slow, foreign exchange reserves are low, problems in the energy sector are hampering industrial production. In the light of these factors, the commitments for new expenditure on salaries of public employees from July 1, 1997, its impact on the public sector corporations and salary support programme of non-government educational institutions, it is possible to take a view that revenue expenditure has been underestimated and revenue receipts overestimated. The Finance Minister has also admitted in the budget speech that losses of the public enterprises are hidden and may have to be taken over by the government. The position will worsen if some of the proposed fiscal measures are rolled back as demanded by many legislators of the treasury bench. So, there will be need for caution and conservatism throughout the next year.

The overall macro framework and monetary impact of the budget remains unclear. No indication has been given in the Minister's speech about growth of money supply projected for 97-98. Taking cue from the Fi-

nance Minister's emphasis on "non-inflationary growth" and projected GDP growth rate of 6%, monetary expansion of 9-10% may be a good guess, if inflation target is at 3-4%. Will this leave enough resources in the banking system for the private sector if government has to resort to bank borrowing and if the public enterprises preempt credit resources on the pattern of the recent years? Will there not be a "crowding out" effect? The whole area of government's borrowing remains grey unless the Minister has assumed that small savings schemes will contribute the entire amount (nearly Tk 2300 cr) budgeted under "Public Account." Will this happen if the capital market is reactivated as well as wish, and will it not require further increase in the rate of interest paid on small savings? After all, small savings schemes were never contemplated as a budget financing measure, but as a "welfare measure" for small savers with attractive interest rate and exemption from income tax.

Nothing has been said in the Minister's speech about the impact of the budget on the balance of payments. Suddenly there has been a 'free fall' in reserves in recent weeks which was effectively prevented so far through a tight monetary policy and growing remittances. If there is adverse development in the balance of payments, it will overshadow everything else. Reserves have to be built up for restoring confidence — both domestic and international. If reserves are built up through growth in exports, as is expected, it will have an expansionary impact on the monetary sector. In the absence of foreign financing, particularly financing from the International Monetary Fund, any positive developments expected in the external sector will be expansionary. With threats of expansionary impact of the expenditure programme in the budget, we have to do some rethinking if we are planning to

draw on IMF resources. In fact with the kind of expansionary implication of the budget, negotiations with the IMF are likely to be extremely painful and frustrating. An attracting alternative will be speedy use of policy-based programme loans in the pipeline by accelerating the pace of reforms in the financial sector and jute sector.

What can be done to reduce the expansionary impact of the expenditure proposals? In the past, government has tried to reduce or postpone current liabilities by giving 'bonds' to public servants. Will it be politically feasible for the government to give bonds to the public employees for additional payments that may result from higher salaries/allowances on the basis of Pay Commission recommendations? The bonds may cover benefits from July 1, 1997, but may be cashable after 3-5 years.

In the context of the Finance Minister's budget speech comments seem to be in order and some common perceptions. Credit should not be considered a sin. Credit is needed for stimulating economic activities in the private sector. All credits are not bad and all bank credits are not long-term credits for project financing. Indiscriminate expansion of term lending in the recent years as a policy by the last government is behind this impression. Credit to the private sector cannot be stooped because of defaults by a couple of hundred big borrowers. This has to be tackled separately as is being done effectively by the government and the Central Bank. Secondly, all "deficits" are not evil. The Finance Minister has flagged the fact that current account deficit was reduced in '96-97. Current account deficit in an economy like ours creates opportunity for absorbing foreign capital. The smaller current account deficit has resulted from our poor performance in using foreign aid lying in the pipeline, and indicates forgone investment resources. The previous

Finance Minister used to make the same mistake by taking pride on a lower current account deficit with a bulging project aid pipeline. The third subject is regarding 'health' of banks. May it be pointed out that a bank's health does not depend on "deposit insurance" or on temporary "liquidity surplus." The real test of a bank's health is its balance sheet and the quality of its portfolio. On these criteria, can we forcefully say that our banking system is in "good health"? This is not in any way to underestimate the bold measures that the government is taking for reform of the banking system, but to suggest where attention needs to be given.

The Budget has three innovative proposals for old age pension, creation of "Housing Fund" and an "Employment Bank." These demonstrate the long-term commitment and objectives of the government for poverty alleviation and social justice. Implementation of the proposals will call for utmost care so that these, particularly the first two, can be placed on a sustainable footing. I have misgivings about the 'Employment Bank'. First, bank loan support for self-employment of educated youth and professionals has been given in the past through the NCBs. Experience was not satisfactory. Recovery was poor. Second, without a diversified portfolio a single-purpose bank is unlikely to be sustainable, may turn into a giveaway welfare scheme, and the losses will ultimately fall on the public exchequer. Thirdly, do we have any successful experience of this type in any other country? Consideration may be given for the idea to be implemented through an organisation like the Palli Karma-Sahayak Foundation with the help of NGOs. We should not rush with this without careful consideration. A question that arises in connection with employment creation is why the allocation for "Food For Works" programme has been reduced by

over Tk 200 crore from the revised budget of 96-97? This is a time-tested programme for employment creation for the most vulnerable group. Allocation for this programme should be restored during the year whether through the ADF or non-ADF projects.

One thing that is conspicuous by its absence in the Budget speech is expression of any concern and any concrete measures about the slide in the growth of industrial production. This needs to be promptly and directly addressed. A Wage Commission has been announced at a time when there is concrete evidence of declining productivity of industrial workers. How these two conflicting trends will be harmonised to promote an export-oriented industrial growth remains a major challenge for all concerned.

The Budget has rightly indicated long and medium term objectives. But it is also seen as an instrument of short-term economic management and people wish to see some results here and now. The Budget should reflect public concerns and sentiments and seek public cooperation on hard decisions. The most important subject in day to day life in rural and urban areas currently is that problem in the power sector (and in all areas of public utility). Cooperation of the public is essential to reduce systems loss and for improving bill collection. Without significant improvement in those two areas, the power sector will remain unsustainable even after generation and transmission capacity is increased through crash programmes. The government has to express its determination (as in the financial sector), provide guidance to the public, and national attention should have been drawn to these issues in the Budget speech. The Finance Minister has to describe and highlight the need for hard decisions and hard choices in all areas of economic reform. He is there for saying difficult things which are not popular. Or else, who will do this? The discussions on the Budget in the Jatiya Sangshad will provide a good opportunity for this. The Finance Minister will do well to highlight these issues in his 'winding up' speech, which in fact is a second budget speech.

Eliminating Terrorism from Students Politics

Is Delinking with Political Parties Enough?

by A R Shamsul Islam

If the gem of the youth, the students, fail to acquire knowledge and fast moving technology and give up cultivating human qualities on the threshold of the twenty-first century, where shall we stand in the global village of intense co-operation and competition?

HERE is an outcry from different quarters against the present student politics. The nation is dead worried over the terrorist activities of the students and awfully frightened of their consequences on the academic life. A fervent appeal has been made by a personality as big as President Shahabuddin Ahmed to the political parties to delink with their student wings. Proposal has come up from general people for a temporary ban on student politics to bring the students back to academic pursuits. If the gem of the youth, the students, fail to acquire knowledge and fast moving technology and give up cultivating human qualities on the threshold of the twenty-first century, where shall we stand in the global village of intense co-operation and competition?

But this was not the character of the student politics of our country in the past. It was glorious indeed. Student politics was never thought out for shrinking government or usurping power. Rather situation demanded it to expand to fight out the injustices and exploitations. From British rule to the Liberation War of 1971, the same distinction dazzled the student politics.

The Liberation War of '71

worked multi-faceted changes in our national life. This is what a great war is really apt to. The students had a luminous and sacrificial role in it. They came out victorious. But the students who joined the war and the students who returned from the war were not the same. They were reborn. The war fashioned them anew. Its multi-tongued flames moulded them in a different cast.

The students, in that war, had a taste of the arms. The taste deepened into their being to make the arms their fond, faithful, necessary allies. When the war ended and a call for surrendering the arms was trumpeted, many students did not like to part with the arms. Even when the arms were surrendered, memories of the sweet company of the arms remained glittering. In the war, the students had another new sort of taste. It was of wider leadership. It had the stuff that vied to rise to the national level.

The student politics of the world is of an older origin. But the craving of the students for a

larger leadership beyond their educational precincts became evident following the First World War. The war was so unprecedented and all encompassing that able-bodies men were called up to rally against the aggressor Axis Powers. The students had a role in it. And something of a wider leadership tasted by the students was not to go after the war had ended. It leapt and leapt.

After the Liberation War the students were returned to the academics. But the pre-liberation pattern of student life and politics was not restored. Violence and terrorism were house in student politics. Musclemen-ship and maskmanship were inducted. Students politics lost its independent character and was glued to political parties. Later, the alignment between political parties and student wings was incorporated in the constitution during President Zia's rule. Hobnobbing of political parties with students organizations did not have any need to mask. The destructive character of the student politics was

in tune to that of the national politics.

The students are the most educated and conscious section of the youth of our country. Ours is a very poor and vastly illiterate land. Here, corruption, injustice, exploitation in social, economic and political lives are not unlikely to exist in high proportion. Honest national leadership against these evils may not always be found present. The students are the right and the only available force to answer such occasions. But if the honest, selfless, fighting spirit of the students is eaten up, what expectation can the nation have from them?

The student politics in the past was largely honest and pure. Why should we miss the truth that the national politics of that time was also fairly fair and credible. In recent times, the national politics has registered a sharp decline. The party politics has only one goal — to capture state power failing which to share with it in the least. This necessitates to build up a network of allies and

fronts. An effective front like the students can never be afforded to remain unhooked to that network. The student leaders are already baptized with political 'milk and honey.' Gone are the days of the student leaders walking miles with empty pocket on pursuit of academic interests. Come are the days of the student leaders driving luxury jeeps with heaps of money in their account to obey commands of their godfathers.

In the past, there developed an automatic understanding between the student leaders and the national leaders on national issues. No formal alignment was needed to work harmoniously, in respective spheres, for the welfare of the people. Today most political parties have their student wings headed by student leaders who are, in many cases, the promoters of the vested interests of their political parties heedless of the interests of the student community.

As the national politics allegedly continues to rot, student

politics cannot be expected to be healthy. That is why a demand to delink the student organizations with the political parties has been voiced in the hope that it will save the students from the politics of destruction. A ban on student politics is another step forward in that direction.

The national politics of Bangladesh is allegedly spitting violence and terrorism. The student politics has been rendered an addict to this disease. Delinking student wings with political parties may be a suggested prescription to remedy the disease. The cure, however, lies elsewhere. Suppose, this treatment remedies students' addiction to violence and terrorism. Even in that case, the susceptibility to that disease will remain. To keep the air thick with germs and rule the susceptible patients not to be affected by hanging a disinfectant cobweb in between is too simplistic a proposition. Who can guarantee that old addiction will not relapse when the germs in the air tend to be handy? The real cure is to delink national politics with violence and terrorism. Who will write that prescription?

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To the Editor...

Weekly holidays and new pay scale

Sir, The government has declared Fridays and Saturdays as weekly holidays w.e.f. May 31 for government, semi-government, autonomous and semi-autonomous organisations purported to beef up efficiency, productivity, control pollution and retard fuel consumption. The declaration came abruptly without sufficient advance notice to work out some sort of working arrangement to implement this decision. Neither this vital issue was debated in the Jatiya Sangsad and various chambers of commerce and industries, and Bangladesh Bank.

In fact, there will be 104 weekly holidays plus 30 government holidays in a year. This will be a holiday bonanza for a man-hour-starved country like ours. In the process, the government will have to pay enormous overtime allowance to the employees of utility and essential service organisation who will be working on Saturdays, thereby incurring heavy burden on our exchequer. This will also have to pay an additional Tk. 1200 crore for the implementation of New Pay Scale to the government servants. The government, semi-government servants and those of autonomous and semi-autonomous bodies constitute only about 5 per cent of the population of Bangladesh. What about the benefit and facilities for the rest of 95 per cent? For the benefit of a few, the overwhelming majority will suffer. When there will be tremendous price-hike of essential com-

modities following inflation caused by increase in salaries. The government should have taken steps to curb the price hike of essential commodities, that has already taken place, instead of increasing pay scale.

Now about the adverse effect on international trade and commerce due to 2 weekly days is illustrated by a practical example. A fax/telephonic order, by a foreign buyer sent on Friday will not be attended to by our exporter until Sunday which again will be a closed holiday in a foreign country. So actually it will not be executed until Monday. The Bangladesh exporter should not be able to submit shipping documents at the bank on Friday and Saturday, if the L/C of foreign importer expires on Saturday. Similarly, a Bangladesh importer, shall not be able to establish L/C in favour of his importer documents on Friday and Saturday. And when the L/C is established on Sunday, it will be a holiday in an overseas country.

Then what about postal deliveries, bank transactions, commercial establishments, indenting houses, insurance companies etc? Will it not affect man-hour and production in mills and factories which will also follow suit as per government decision? Certain quarters have maintained that the above decision and step have been taken by the government to appease and compensate particularly the secretariat employees who also came out on the streets last year to topple the government of Khaleda Zia and help establish caretaker

government to maintain only Friday as weekly holiday as before.

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Sher-E-Khawja

Sir, Deeply concerned about the bloodshed going on in different parts of the world, he once told me just to spread the message of goodwill among men and to foster better understanding of each other's point of view. I personally have known him for many last years — he leads a life of a hermit in complete seclusion. Seldom he likes to mix with people. His only son Rubel Chowdhury, who got the sword of honour from British Mercantile Academy, always serves food to the guests personally and his wife Begum Rehana Chowdhury is an embodiment of Bengali motherhood. She never gets annoyed even if someone gets angry with her. The entire family leads a very simple and clean life.

Sher-E-Khawja never found calling himself a Peer but just an ardent devotee of Khaja Baba of Ajmir Sharif (India). There is no transaction of money or gift in his presence. He simply pours out the idea of using religion for material gain — the guests are entertained lavishly but he never ever accepts any gift, not even sweets.

I feel it is my moral obligation to register my protest about the news published in your newspaper.

I remember once I got angry with him but he was not at all annoyed but on the contrary, he smiled and called his daughter

and said: "Look, everybody gets angry with me and so you better pacify your uncle." As far as I know some higher up people who desires to see him are allowed but I never found him asking anybody again and again to come to him. It is unfortunate that a man like Sher-E-Khawja to become a victim of such a misrepresentation.

Al-Haj SM Khalid Chowdhury
Dhaka.

Improving the BAI

Sir, Bangladesh Agricultural Institute (BAI) is the country's oldest higher agricultural education institution. This institute has so far produced more than 3000 agri-graduates who are working in different agri-service sectors. Even with limited facilities, the teachers of BAI are constantly trying to produce high-calibre agri-graduates equipped with latest knowledge and skill in agricultural science.

However, one would agree that, for imparting latest knowledge to the students, the teachers need training and higher education for strengthening their own knowledge and skill first. But unfortunately, the BAI has no training scheme or programme to train its teachers. Earlier, the BAI used to receive a few training offers under the British Technical Assistance Programme, but now it has also been stopped.

Meanwhile, the Bangladesh Agricultural Research Institute (BARI) and the agri-education wing of the Ministry of Agriculture are currently working on a training plan for the teachers of the three government agri-col-

leges including BAI, Dhaka.

We sincerely hope that the government would approve the 'TAPP' at the earliest with a view to ensure scientific manpower development in BAI.

At the same time, we would also request other government agencies, including international donor agencies, to provide necessary technical assistances for the execution of the Human Resources Development projects in the agri-education sector.

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Undeserved reward

Sir, A news item about assurance of Minister in-charge of Public Works and Housing Settlement to allot plots in Nikunja and Yusufgong Housing Projects to MP's (The Daily Sangbad dated 18th June, 1996) has drawn my attention. I consider such preference to MP's is thoroughly unfair. It is unfair on the part of the MP's to demand such preferential treatment and also unfair on the part of the government to accept such a demand. With full respect to the institution of Parliament, I have to say that many of the MP's have not made any sacrifice to serve the nation as MP's. They have contested election by their own seeking and are now being compensated handsomely by the tax payers in various ways, directly and indirectly. It is a form of misuse of power to seek undue advantage sitting in the parliament. The members of parliament present or past are free to apply for plots and their ap-

plications should be considered on equal footing with other applicants.

I shall like to see a statement by the government to the effect that the government will resist any attempt by any power group to form a coterie for special gain.

I am expressing my views as a matter of principle. Neither myself nor any member of my family has applied for any plot of land in the projects.

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Appreciable

Sir, On 18th June, myself and my work-mate were suddenly interrupted in our journey to Gulshan-2, when all on a sudden a police sub-inspector and few constables stopped the baffle-taxi we were in near the Rifles Club, Gulshan-1. Soon then all three of us were body checked that included thorough peeping in and checking of the three-wheeler. Since I have long been in support of this security body check, I could not help myself but to congratulate the sub-inspector and requested for continuous manovering of this operation at all critical junctions of the city. I am optimistic that vigorous body check is the only method to combat criminals. I hope that our law enforcing agencies would continue to carry on this security body check not as an occasional measure but as a continuous process.

Khawja Vigar Moinuddin
Dhaka.