

G-8 Summit Outcome

The central importance of the traditional G-7 in world affairs has only been vindicated by the inclusion of Russia in the Group turning it into G-8 now. Although in terms of the total landmass and the head-count of population, the rest of the world is bigger than G-8, the latter's economic influence and political clout far exceeds those of the former. The rhetorical words for a democratisation of the pyramidal order in an interdependent world notwithstanding, on conclusion of each G-7 summit annually, the Third World involuntarily sat down to deciphering from its outcome as to what it really went in their favour.

The two closely inter-related preoccupations of the group have been: (a) exchanging notes on their respective economies and welding domestic policy options into a unified whole of consensual imperatives; and (b) papering over differences on world issues that raged between the relatively more powerful — the US, for instance — and virtually the rest in the group with Britain coming in-between, though not emerging exactly as a trouble-shooter.

Two factors powerfully impacted on this year's summit agenda: Japan's trade surplus with the US provoking the latter into urging Tokyo to raise effective demand levels domestically and the double digit unemployment rates in most of the European countries. By contrast the US economy boomed.

The high and mighty exclusivity of the Group was watered down by a discordance between the US and the others on environment and the US dues to the UN, which left its imprint on the final communiqué of the summit. The US could not be pinned down on specific pollution reduction targets preferred by Germany and France with the French President Chirac in particular dubbing the US as "one of the world's biggest polluters". The US position on withholding payment of dollar 819m to the UN in back dues till the world body reformed itself provoked Prime Minister Jean Chretien of neighbouring Canada into suggesting that the UN better move its headquarters to Montreal.

In a principled bio-ethical stand, human cloning has been very rightly discouraged.

The direct foreign aid, cheaper trade benefits and debt relief as envisaged for Africa — the world's poorest continent — constitute a welcome feature of the summit outcome.

The developing countries in general, however, missed out on their expectation of a positive stance on the decreasing flows of ODA to them.

Facing the People

"Face the People" programme telecast live on completion of Prime Minister Sheikh Hasina's one year in office has been a most pleasant departure from the trend set by people who held this powerful position in the past. We thank the prime minister for appearing in such an open-to-all and not manipulated in the least programme. Thanks are also due to the information ministry, the producer and moderator of this programme for giving us a much-improved version of the previously contrived one known as *Sabinay Jante Chai*. On that count this should be reckoned as a milestone decision on the part of the country's highest executive to appear before the people and be directly accountable to them. It may be a small step now but has the potential to be a highly significant one in shaping our political culture.

In the programme the prime minister may have evaded some questions, but the way she replied to a volley of queries she had no inkling of even moments before these were put to her was simply admirable. We are looking forward to more such occasions when people will have the opportunity of seeing the Prime Minister being answerable to them in person.

Had there been any system of measuring the popularity of the prime minister — the way it is done in the Western democracies, — her rating would surely have gone up by several points after her performance on Monday night. So it is clear that programmes aired without interference from any quarters have a greater chance of success and certainly of enjoying credibility.

This is vitally important. If the prime minister can face uncensored questions in an atmosphere of complete openness with such an admirable effect on people, the information ministry in particular should go by the spirit she has demonstrated and allow the BTV to produce and telecast programmes without interference and solely on the producers' professional judgment. The prime minister's programme is a proof that they are capable of doing better programmes. We urge the information ministry to give such a try.

Underpasses Now

People of this city are going to enjoy a new kind of facility at three crowded spots in the shape of underpasses. The busy spots are Gulistan, Gabtoli and Kawran Bazar. With an eye to the city's future as mega-city, such facilities ought to be created in an increasing number. Unlike the structures on the ground, the underground ones apparently do not change the physical features of the building site or of the city, but provide a number of advantages. One of them is to maximise the use of available space within the city-limit and the other important one is to ensure safety to people on the move.

We already have overbridges or footbridges, now we are going to have the underpass facility from tomorrow. Quite an interesting infrastructural development for the city. If this is a novelty for us, we must not forget that other big cities of the world have this and much more to boast.

However, first of all we need to ensure that the existing facilities are maintained well and their utility is best served. To do this, the first criterion would be to ensure that the underpasses have uninterrupted supply of electricity. Then the allotment of shops must be made in a most transparent and disciplined manner, so that the underpasses are not encroached upon by vendors, obstructing the movement of pedestrians. One other important thing is to ensure that they do not fall in the hands of vested interest groups who make a mockery of public facilities everywhere for spinning money out of them.

Frustrating Industrial Performance: An Explanation

The result in terms of industrial growth was not up to the mark. Obviously, political disturbances of last two years led to withdrawal of several investment decisions. But those were not revived following the election and induction of the new government to power

FROM July 1996 to April 1997, the industrial sector had displayed severe stagnation in both investment and production. The sector's growth during the ten-month period was only 5.7 per cent, compared to 15 per cent in 1994-95. During 1995-96, the sector grew by 8.4 per cent despite political unrest prevailing at that time.

Since the present government came to power, it was expected that political stability has been achieved. The hartial-free streets of Dhaka would be peaceful at least until the next election time in the year 2001. That is after five years and during this period, GDP will be growing — basically fuelled by the rapidly expanding industrial sector. It was therefore surprising to many when the performance of industrial sector in 1996-97 was well below the hartial-ridden year. How was it possible?

We need to find an explanation for this frustrating industrial performance during the very first year of this government. It is very clear now that in spite of the continuation of past policies favourable to private investment, the corresponding response has been far less than expected. The most astonishing fact is that investment in the fiscal year failed to match the level of the disturbed previous year.

Obviously, the new government could not generate the required level of confidence. The dislocation of the immediate past had a numbing effect. Perhaps the desired level of faith in the stability of the government was lacking since they were out of power for long 21 years and there might have been doubts about their competence to face the trials and tribulations of running the government on a day to day basis. On the other hand, very early in the day the government did show a lot of maturity in electing a non-par-

liamentarian candidate as the President who received unanimous support of the entire Parliament. This was not the case with the previous government. Furthermore, the party in power enjoys a stable majority in the Parliament and the new government adhered to their announced policy of strong support to private sector.

Yet, the result in terms of industrial growth was not up to the mark. Obviously, political disturbances of last two years led to withdrawal of several investment decisions. But those were not revived following the election and induction of the new government to power — after 21 years.

Perhaps 21-year is too long a period. A new generation has come into business in the meantime. In fact the rise of the Bengali capitalist class, as we find it today, began in right earnest after the demise of the socialist phase in late 1975. Like it or not, Awami League continued to be viewed as the champion of the public sector. They were the ones who took over the industries even from the very few Bengali owners who constituted the nascent Bengali capitalist class at the time of liberation in 1971.

The manufacturing industries in the private sector led by RMG grew after 1975. The leaders of these industries had no previous experience of dealing with a government run by the political party who had a strong anti-private sector image. The party might have changed their policies. But those are to be tested on the ground for a reasonable length of time; while, the exact duration of that period is also a matter of random conjecture only.

Therefore, confidence build-

ing is the major task, if manufacturing (if not the industrial sector as a whole) growth should be boosted to 15 or even 20 per cent per annum. Fiscal '97 must have generated more confidence. The private sector ought to have realized that Awami League has changed considerably and it is not the same at the nationalization phase, immediately following the massive dislocation of 1971.

However, that is not enough. Government knew that it had started with a handicap. There were many in the private sector

combination of coming to power of the political party which had a past anti-private sector image on the one hand and a terrible incapacity to tackle the stock market crisis on the other.

The acute suffering of the banking sector from 40 per cent bad debt created additional handicap for the government. Borrowing became extremely difficult even for the genuine investors. The much sought after confidence building is not possible when the manufacturing sector is faced against credit squeeze. On top of it, mounting

Commission might have led to beneficial impact in terms of slowing down both the accelerated rise and the following downswing of share prices. Similarly, a discriminatory credit policy so that investors' access to financing does not suffer should be construed as a significant policy measure, indicative of the steadfast government desire to support the industrial growth of the country. An important consideration in this respect will be to remain totally non-discriminatory with regard to political affiliation of potential investors — an essential element in the process of confidence building and therefore boost the future industrial performance of the country.

Another important drawback for which industrial growth is still suffering has been the lack of stable as well as sufficient electricity supplied to the numerous points of demand. Without rains, crop sector will inevitably suffer from a disaster. Exactly in the same way, shortage of energy means a disaster for industrial growth. No doubt the energy crisis has been brewing for quite some time and it is the conspicuous inaction of the previous government which led to the crisis. It may also be noted that independent power producers are committed to make available the additional electricity supply within 10 months after getting the work order and the government took almost the same amount of time to complete the paper works for the purpose.

Inaction and delay are basically the same. I would not venture to suggest that change of government did not bring about any fundamental transformation by the Security Exchange

public borrowing led to enhanced rate of interest. It was like adding salt to the wound. Confidence building has suffered again and again during the last one year. It is true that the present government cannot be blamed for all these limitations since neither the stock market crisis nor the ravaged banking system are the creations of this government.

However, government could have moderated the crisis of the stock market through release of government stocks into the market, inducing institutional investors to pump in more funds, curbing the spurious informal trading in stocks and, most important, restraining the brokers and forcing them to behave in a more constructive manner. These timely actions by the Security Exchange

implementation. Otherwise water would not have flowed through the Ganges. It was a monumental achievement. We need few more (not many) such milestones in critical areas of development and in a timely manner.

Decision delayed is decision denied. So without any further loss of time decisive actions are required and some of which are as follow: Create a joint public-private sector committee on industry with inclusion of industry leaders, regardless of their political affiliation, responsible for formulation of policies and programmes for improving the performance of the sector; Pending paper work, creation of additional electricity generating capacity as well as distribution of electricity should be completed within, say, the next one week; Constitution of discriminatory lending policy which favours the potential investors; Set up a factory development company with private sector participation for construction of factory buildings — similar to the real estate companies who are unfortunately confined to residential buildings only; and along with it, immediately launch a campaign to solicit domestic industrial investment.

It is surprising that Government is going all out seeking direct foreign investment while domestic investors are slipping behind. Let us improve our home front first. Those from abroad cannot be far behind.

There seems to be a profound reluctance of those who grew up in an era which has ended after the last national election. Perhaps they need time to adjust and they might have realized during the last one year that the going should be good again.

However, let us not only hope for the best and launch the campaign to convince those who are yet to break their inertia.

Indo-Bangladesh Joint Rivers Commission

Saga of Unutilised Opportunities Recalled on its Silver Jubilee

by R Rangachari

The occasion of the silver jubilee is sufficient reason to examine how far we have succeeded or failed in discharging the duties assigned to JRC. The real reason for insufficient progress does not seem to lie with the mandate or duties and functions assigned to it; the failure of the institution could be more correctly ascribed to the manner in which it was used or ignored and the men who were entrusted with the effective running of the institution.

JRC's functions were given as:

a) to maintain liaison between the participating countries in order to ensure the most effective joint efforts in maximising the benefits from common river systems to both the countries;

b) to formulate flood control works and to recommend implementation of joint projects;

c) to formulate detailed proposals on advance flood warnings, flood forecasting and cyclone warnings;

d) to study flood control and irrigation projects so that the water resources of the region can be utilised on an equitable basis for the mutual benefit of the peoples of the two countries, and

e) to formulate proposals for carrying out coordinated research on the problems of flood control affecting both the countries.

The commission was also to perform such other functions as might be assigned to it. The functions assigned seemed comprehensive enough and the JRC started with high hopes in the future of shared destiny.

Many distinguished people of India and Bangladesh have adorned the JRC and strived to make it an effective instrument of cooperation between the two countries. Mr BM Abbas AT, a very leading expert in water re-

sources development, can be considered to have taken the leading role in the establishment of the Commission in June 1972. He was reported to have proposed the joint commission when the Prime Ministers, Indira Gandhi and Sheikh Mujibur Rahman, discussed economic cooperation in March 1972 at Dhaka. Among the Chairmen and Members of the commission are may past ministers of the Bangladesh Government led by Sheikh Mujib, Ziaur Rahman and Ershad, at different times; similarly the ministers of the successive governments led by Indira Gandhi, Morarjee Desai, Chandrasekhar, Rajiv Gandhi have been in the commission.

One would have expected that with the opportunity to closely study the various issues before the two countries in cooperative water resource development, by now, there should have emerged an all party consensus on the important basic issues before the two nations. One would be constrained to say honestly that this picture is not yet visible in the lines of action pursued by the various parties. This should not, however, detract from whatever achievements had been possible in these difficult and sensitive issues. One would however like to see this institution act in a manner

in tackling the issues under the mandate of the Commission.

The occasion of the silver jubilee is sufficient reason to examine how far we have succeeded or failed in discharging the duties assigned to JRC. The real reason for insufficient progress does not seem to lie with the mandate or duties and functions assigned to it; the failure of the institution could be more correctly ascribed to the manner in which it was used or ignored and the men who were entrusted with the effective running of the institution.

As the Agreement had assigned a role to the JRC to study the schemes for augmentation, there was a flurry of activities. From January 1978 to August 1980 there were ten more meetings. When some difficulties arose in the study of the schemes there was a slowing down of JRC activities. There were no meetings held between August '80 and February '82. Later with some political changes having taken place there were three meetings each in 1982, 1983 and 1984. After 1985 there was a visible slackening of activities. The position worsened after 1988 when there was no Ganga water-sharing agreement in force. What is more surprising is that even after the Ganga water treaty was signed in December 1996 and hopes were expressed of reviving the JRC, no meetings have taken place in these six months. One could only hope that not only will a meeting take place very soon but that the intensity and frequency of the exchanges will truly reflect the current very good relations.

One will be tempted to recall the recent expression of the Indian Prime Minister, in another similar context, "Gustag bandha na ho, baat se baat chale" (let's not stop talking... let's keep going from one round to another) (Faiz Ahmed Faiz).

Whatever be the dissatisfaction on either side it is necessary for the two sides to keep discussing the options, reservations, difficulties and the best manner of going forward. It would be necessary to undertake a review of the working of the Commission, its infrastructure, the improvements needed in the light of the experience of the past twenty-five years of its working — and even its non-working.

The author, a former Member of JRC, is with CPR as a visiting professor. He is currently in Dhaka attending the CPD-CPR Bangladesh-India dialogue on water.

To the Editor...

Beyond Kandupatti

Sir: A lot of noise has been made about Kandupatti in our media ever since the zealots had marched on to the prostitute den and drove them out of their dwellings. They thought they had done a service to the nation. Little did they know about the dis-service that was meted out to the society by their deeds.

It should not be a matter of guess as to why these poor women indulge in such a despicable profession as prostitution. They do it not out of choice but out of compulsion and, often, helplessness. They are often born in the quagmire of the den or inducted into it by the child lifters. Very often, the socially ostracised poor individuals are marooned and have no other alternative but to join the profession. It would be foolish to assume that anybody enjoys being a prostitute. So, it would be better for the society to let them be unless society can provide for their livelihood.

Mr Ershad, during his regime, had tried once to close down all the prostitute quarters. And as a result, the women involved in this profession had to spread out of their confines to wherever they could. It was like a pestilence confined to a controllable area finding its way to areas unknown. The government then and the zealots now did not even bother to think of the consequences. The consequences may indeed be devastating. When housed in a marked area, it may make a life easier for the prostitutes. And then put in place a regular healthcare system. Prostitutes are vulnerable to various kinds of diseases. The most dangerous being AIDS. When they reside in an area designated to them, it is much eas-

ier to control these diseases from spreading. And when they are out, it is anybody's guess as to how far they can go. For, they'll have to go far or they'll starve to death.

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Democracy for leaders

Sir, I enjoyed the reaction of Dr Shahid Mallick published in this page on June 3 blasting the regime, in choice parliamentary language, for cultivating the minority art of "democracy of the leaders by the leaders and for the leaders". Did the him that two-decade-old precedence could have encouraged these kangaroo leaps on sudden and hush-hush policy-making? They are not to reason why they are but to do and die; / into the valley of ... rode the six hundred' (quoting from a school textbook, nothing revolutionary these days!).

A philosophical reverie may reveal some inner character of the society's mores. Our society is more terraced than the *jhum* cultivation on our Hill Tracks; slowing coming out of the feudal structure of the *zamindari* system. The middle class has mental mobility, not matched by the locomotive part further down. The development of the feet or base is now becoming the fashion, with processions in scattered directions ('proceed; but where?').

Since the policy change in the office timing and the weekly holiday's have been introduced just before the announcement of the budget, some designs could be read in the leaves in the tea cup. The WB (World Bank) is against 'wb' (wage benefit), at least not right now.

Therefore, it is an humble and utmost request to all the authorities concerned, including the highest executive the honourable Prime Minister to kindly consider the hard realities the poor retired government employees are facing and are more so faced with after the announcement of the new National Pay Commission Report, and thus kindly allow them proportionate and reasonable rise in pension/retirement allowance as per grades and also two festival bonuses, to ease their living in the society.

Anwar Uddin Ahmad
Ex-president, Employees' Union
Dhaka GPO

Pay Commission: An appeal

Sir, The National Pay Commission Report has been submitted and is going to be implemented soon. Well and good. But there is no indication of enhancement of pension/retirement allowance. The retired government employees are also suffering the brunt of price-hike. They also have to meet the expenses of 2/4 students and other unemployed entity of a 4/6-member family. In the 1991 Pay Commission also their pension/retirement allowance was not raised.

Government employees are enjoying two festive bonuses during the two Eids since 1984. Retired employees are deprived of such bonus. But they also belong to the mainstream society and they also have to buy necessities for their dependents and incur expenses! But how?

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New office timing