Founder-Editor: Late S. M. Ali

Make Polls a Success

Dhaka, Sunday, June 29, 1997

Although there has been an overt attempt by some quarters to draw undue attention to the byelection to Manikganj-3 constituency due tomorrow, the Election Commission (EC), the candidates themselves and their respective political parties have so far given a good account of themselves. Particularly the EC has conducted the pre-polls affairs in a most admirable manner. An Election Enquiry Committee constituted on May 29 has performed its job perhaps to everyone's satisfaction. At least that is the impression. Nobody has till now faulted it for its performance in respect of monitoring and investigation. We are happy that the EC has kept its cool and did not react nervously at any point and thus was not a party to any kind of political hypertension that could be used by detractors. The EC has reprimanded - and quite rightly so - the candidates of the three main political parties for violation of election rules or codes.

We strongly feel that the good work done so far must not be allowed to go waste through a rash move or an act of indiscretion by any of the parties involved. Well, we do not sound it like a warning, but given the country's political history and culture we must stay cautioned. The political parties in general and the ruling party more particularly should be extra alert about the fall-outs of any attempt to influence the outcome of the election in their favour. If the intense campaign by the three main candidates could be carried out without any violence, there is no reason why they should give in to temptation of going extra ways to get the voters' verdict in their favour. The best way is to look at the polls, after so much hard work, in a dispassionate manner.

We urge the political parties to ask themselves one vital question: how big is the stake in this byelection? Does the whole world come crumbling on your head if you lose the seat? It makes little difference to the treasury bench in particular whether it loses or wins in Manikganj. A loss should not be seen in any way as a measure of its declining popularity. The opposition can similarly refrain from working itself up too much with a preserve-or perish ring to their concern. The more important thing is to put the by-election in its appropriate context and allow the election process and the nation to triumph. If the Magura election is any guide, we cannot afford any such retrogressive step at the moment. Let the EC conduct the polls fairly, smoothly and firmly.

Chance of a Life-time

We regard the mumblings of discord heard from the factious student elements of Shantibahini on the periphery of the mainstream tribal urge for reconciliation in the CHT as the birth pang of a peace deal that awaits signing on July 14.

This is, however, not to get unfocused on the moves underway to subvert the peace process that is so close to yielding an accord between the National Committee on CHT Affairs and the Parbattya Chattagram Jana Sanghati Samity (PCJSS). Nor can we easily overlook opposition political party's stand-off on this issue and its strident approach to the AL government's handling of it alleging that it has compromised on the sovereignty issue and undermined the rights of settlers from the plainland. There is also confusion in the public mind as to what has really transpired through the negotiations between the national committee and the PCJSS. Only four rounds of talks between the AL government and the Shantibahini representatives have clinched a 'consensus on all points' in contrast to 22 rounds of negotiations undertaken during the two preceding governments since the early eighties. Those rounds of talks might have failed to yield conclusive results, but they bore their imprints on the peace process anyhow, something which the government needs to tell the opposition to place its headway in a historical perspective.

The government must not make any bones about the details of understanding reached between the national committee and the tribal leadership; because, we believe, it has been in the right so far as protecting the fundamental interests of Bangladesh go: territorial integrity, rights of the tribal people and those of Bengali settlers. The basic concerns of the tribal population such as devolution of powers, their flourishment as a distinct ethnic entity and their inalienable rights to land ownership have been duly addressed.

In fact, we lend a strong voice to the cause of peace as pursued by the government of Bangladesh and the sheet-anchor in tribal leadership that the PCJSS under Santu Larma happens to be. This is a chance of a life-time for peace in the CHT. We implore our tribal compatriots to make use of it without ado.

Thanks to Tokyo

We note that as a shot in the arm of Tokyo-Dhaka ties Japanese Official Development Assistance (ODA) to Bangladesh has been resumed after a two-year freeze that literally gave us a heartache so far. Japan being traditionally the largest development partner for us in bilateral terms, we are greatly relieved at her change of heart which has been prompted in no small measure, so we learn with an extra bit of satisfaction, by our toning up of the project implementation machinery.

The fresh ODA package '97 worth Tk 587 crore comes to three vital areas: Jamuna Bridge Access Roads Project, Paksey Bridge Construction Project and Narayanganj-Narsingdi Flood Protection and Irrigation (Engineering Services) Project. It is not the amount of money that matters but the sense of prioritisation underlying the choice of projects and the terms in which the loans are being offered that are worthy of instant applause. On completion of the Jamuna Multi-purpose Bridge there will be a cascading increase in traffic all around. The Access Roads Project is designed to cope with the changing dimension of transport loads that stares us in the face. We might need flyovers to across suitable points for tolerably reduced traffic on the ground level. Paksey Bridge will help remove some transportation bottlenecks between the Southwest and the Northwest areas.

These long-duration, low-interest soft loans generally without any strings attached to procurement of materials bode well for the country's infrastructural development.

Nur Jahan

Human Resource Development in the Budget Everyone understands the importance of the availability of skilled human beings in the industrial devel-LTHOUGH one hears of a

lot of discussions on the need for Human Resource Development (HRD) in various seminars and workshops, observing the daily events or mishaps in various spheres of human activities in the country, one feels sceptical of calling all such educated and skilled human beings productive human resources. There is a colossal waste and misuse of human efforts and time which. given the proper leadership, plan and incentives, could be turned into productive efforts to create wealth of the nation and thereby promote everyone's welfare. No doubt, there are concerns but hardly any effective measure has been taken to transform these human beings

into human resources. This raises the question of who can be called a human resource. For a person to be a human resource, he has to have not only physical ability to do productive work, but also mental ability to acquire skills and to adopt the right attitude to life and work. No matter how able and gifted he may be, if he has wrong values and attitudes to work, he may turn himself into a social criminal, not a productive resource. Bangladesh society now seems to have come to a stage, where these broader philosophical and moral issues with direct bearings on daily performance of the economy need to be addressed for re-orienting human efforts to the

right kind of productive activi-

However, the purpose of this short article is to direct attention to the immediate need of the economy to develop wide range of human skills for productive purposes. Everyone understands the importance of the availability of skilled human beings in the industrial development of Bangladesh. This is particularly important when the country has to survive in stiff competition with others in the emerging globalised market economy which is only just a few years away. In order to face this world, most of the existing industries of the country will either have to modernise themselves or die out while the newer

Y all indications the pro-

posed budget for fiscal

1997-98 has already

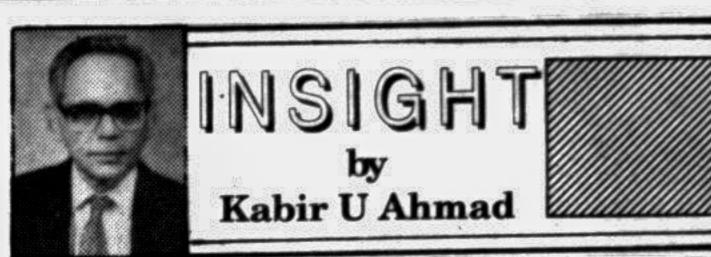
opment of Bangladesh. This is particularly important when the country has to survive in stiff competition with others in the emerging globalised market economy which is only just a few years away.

ones will have to introduce state-of-the-art technology to compete with their sophisticated giants in the competing countries. This calls for a largescale and high-quality HRD programme. If it cannot undertake such a programme and radically change the quality of human resources in the immediate future, then the country will be thrown by the wayside like a driftwood in a powerful tide resulting in worse poverty than what it has experienced so

Finance Minister's **Budget Speech on HRD**

It is good to see that the Finance Minister (FM) has acknowledged the problem when he said: "Human resource, not natural resource, is the main determinant of economic development. The real struggle for development does not start in factories or farms, it start in classrooms. In the globalised economic system, there has been a transition from capitalism to knowledge-based society In this new world order, large population is the most precious hidden resource of Bangladesh. The increase in productivity through expansion of education and health services is an essen tial component of the development strategy of the present government..... In human resource development, the aim is not quantitative success but qualitative excellence. ... The scientists in Bangladesh deserve our support and encouragement. With this end in view, I propose to make a lump allocation of Tk 12 crore in the revenue budget......

This is all that the FM has said and done on HRD in his budget speech although there is a substantial increase in allocations to Education and Health sectors in his budget. This is discussed below. However, the FM's emphasis on quality and excellence does not reflect the reality in the "classrooms" in Bangladesh. Also, as



pointed out above, the "large population of Bangladesh" does not seem to be "the most hidden precious resource" right now unless there is a vast improvement in their health, education,

attitudes and work-ethics. Finally, the allocation of Tk 12 crore to support scientific research is too small an amount to make any difference in what they are doing now. There are about 12 research institutes like Atomic Energy Research Institute, Industrial Research Institute, Agricultural Research Council, Jute Research Institute. Tea Research Institute. Silk Research Institute and Sugercane Research Institute etc., existing for decades but produced precious little results. There are some good quality researchers in some of these institutes, but to improve the productivity of these Institutes, there is a need for better quality researchers with better pay and work environment. Money is only one problem, not all.

Budget Alocations to HRD As rightly emphasised by the FM, the most important subjects that need to be promoted

Head	1997-98 (B.E)	1996-97 (RE)	1995-96 (R.E)	1994-95 Actual)
Education, Primary &	3976.6	3830.3	3521.9	3550.0
Mass Edu. Science & Tech.	93.8	88.5	102.0	51.2
Medical Edu.	205.3	261.9	254.4	239.6
Total Educ.:	4275.7	4180.7	3878.3	3040.8
Health & Family Plan.	1686.1	1572.3	1356.6	1395.6
Total HRD:	5961.8	5753.0	5234.9	4436.4
Total Budget (Rev.Dev)	27434.4	24914.4	22650.9	21450.0
GDP HRD as % of budget	71743.9 21.7	67875.0 23.1	64244.0 23.1	60979.0
HRD as % of GDP	8.3	8.4	8.1	7.2
Edu. as % of GDP	5.9	6.1	6.0	4.9

tor HRD are health and education. But since research is vital for improving the quality of education, especially in the higher education sector, it is included under HRD in this study which is a departure from the other studies in the field. The other major change that has been introduced in this study is the integration of all kinds of formal college and university training under Education Head. A word of explanation is necessary here. In the budget, one finds allocations for all medical colleges, schools and teaching hospitals under the head of Health and Family Planning. Since these are proper college training institutions, the allocations under these sub-heads have been brought under Education Head for this study. After making this rearrangement, the budget allocations for four years. 1994-95 to 1997-98, are pre-

sented in the table. Some explanations and observations are necessary. First of all, the most important item in the education sector is the amount allocated to the primary education and the Primary and Mass education subsectors. The two together gets Tk.2341.7 crore in 1997-98 budget accounting for 14.6 per cent of the Revenue Budget. It is a huge amount. The allocation for secondary education comes to Tk 1012.9 crore about half of the allocation in the primary sector. The allocation to the technical education is only Tk 44 crore while to the university education is only Tk 183 crore. There is about Tk 15 crore given to the Cadet College sector. Secondly, Health sector gets only about 35 per cent of the allocation to Education sector. Thirdly, the HRD as a whole accounts for between 20 per cent and 23 per cent of the combined Revenue and Development budget. Fourthly, the total allocation to HRD comes to between 7-8 per cent of the country's GDP which is substantial. Fi-

nally, the share of expenditure on education to GDP comes to between 5% and 6%.

In some World Bank's recent study on the share of education in GDP, it was shown that Bangladesh's share was only 2.3 per cent until 1992. But the present study shows that this share has increased substantially to 5-6 per cent in recent years. The same WB study showed that the share of education in GDP in the high growth East Asian economies like Japan. South Korea, Singapore and Taipei-China were somewhere between 4.4- 7 per cent until 1992. Bangladesh's recent years' shares are almost the same but its economic growth rate is nowhere near those of the East Asian countries. Why? All policy makers and analysts should address themselves to find meaningful answers to this question.

Some Concluding Observations

In recent years, Bangladesh has been spending huge amount of money on HRD especially on education. But is the country getting the right kind of skilled human resources? When one sees the students physically beating up their teachers and putting their cars and houses on fire for not allowing them to cheat in their examinations, thousands of examinees being expelled from the SSC and HSC examinations year after year, teachers selling questions like commodities in bazaars, universities being turned to battle grounds and students enforcing their own laws in various campuses, one wonders whether huge public spending of poor tax-payers' money is justified and whether it is yielding any benefit to the students and the society at large. Are the educational institutions giving the students some worthless certificates or proper skills and mental training to face the challenges of their future life? Educators, policy makers and the leaders of the country will have to do some hard thinking on how to get out of this situation before it destroys everything else in the society.

Too Many Priorities, Too Many Contradictions and Too Much Concerns for Revenue

The framers of this budget seem to have failed to understand that they cannot solve all the problems of the nation — or meet all the commitments of the ruling party — by one single budget.

received exceptional levels of attention in the nation's public discourse. Ordinary people got used to conventional labeling of the budget as pro-people or antipeople, pro-development or anti-development. But this year another twist has been added thanks to the country's honorable legislators. While the opposition describes it as a "third class budget by a first class economist," the treasury bench claims it as "a first class budget which only third class people find difficult to understand. So much about political

rhetorics. Fact of the matter is, like any other budget, this budget also contains "the good, the bad and the ugly" about the economy and the people. This article intends to focus squarely on some specific allocation and distributional aspects of the proposed budget that have received scanty attention so far. First of all, the government

plans to spend a total of Taka 277 billion in the next fiscal year, of which the largest allocation — Taka 24.57 billion goes to the defense sector. What could be the reason for allocating almost 10 per cent of the nation's annual outlay for this sector alone? Why being one of the least developed countries in the world, Bangladesh has to attach its topmost budgetary priority to its defense? Who is going to attack this country? Perhaps, the legislators would ask these questions before bundling together all other financial needs of the country under the remaining 90 per cent of the budget. Perhaps they should also ponder why someone like Golam Azam wants even bigger budgetary allocations for the

country's defense. Second, the second largest allocation of the proposed budget — Taka 23.42 billion — has

been earmarked for the education sector. None can dispute the need for ever larger allocation for this field - it is responsible for preparing the nation's human resources for the next millennium. As jobs and business opportunities are increasingly becoming globalized, the nation must put up enough resources to produce skilled manpower to compete in a global marketplace. But here again, priorities seem to be misplaced. Why budgetary allocations for the higher education will shrink, while that of the madrasha education will increase beyond and proportions? What competition the government wants the nation to win in the next millennium?

Third, the budget proposed Taka 1.5 billion for helping the elderly, the homeless and the youth. No doubt, these are innovative programmes. But what kind of "economic emancipation" can be achieved by allocating less than one per cent of the proposed budget for such grand visions? Moreover, why the government has to be directly involved in these ventures? Why not give appropriate incentives - like tax breaks or some kind of preferential treatments - to the private sector to employ disadvantaged people, unemployed rural youths, homeless people? This way, this disadvantaged groups could earn their breads in a more respectable manner. Why can't the government think of the private sector for jobs that the private sector can do the

Fourth, proposal has been made to allocate Taka 7.0 billion for implementing the new

by CAF Dowlah government pay-scale. Almost every knowledgeable observer Some of the revenue proposals proposed in the budget have

Bangladesh Economic review, 1997).

has indicated that implementation of the pay-scale would take about Taka 20 billion. Moreover, the pay-hike, along with its spiral effects on the private sector and multiplier effects on the economy, is bound to cost much more than the anticipated amount. If the government wants to show the additional expenditures in the revised budget next year? Why this hide and seek game? Why not let the nation know the real cost of the proposed pay-hike implementation, now?

Although the government bureaucracy is big in size, inefficient in operational terms, and deficient in skills or orientations, none should deny them an occasional pay-hike. After all, like everybody else, they have to survive. That doesn't mean, every time a new commission would be formed, and government after government will play politics with their bread and butter. Why not introduce an inflation-adjustable pay-scale, which would automatically take care of the politics and rhetorics of occasional pay-hikes. With such a built-in mechanism, salaries could be adjusted every year without so much fuss all around, and resultant inflationary pressures

could be absorbed by the economy more easily than can be anticipated under the current

already generated considerable controversies — fortunately, in both aisles of the power corridor. First of all, the budget proposes for widening up of the income tax net in the country. It's a shame that in a country of about 120 million people, only about half-a-million people pay income tax. Bangladesh may be a poor nation, but, by all indications, it has several million rich people. The society has every right to bring them under the income tax net. But this proposal should be backed up by appropriate measures to streamline the country's extremely corrupt and inefficient tax administration. Until that happens, few will be willing to expose themselves to the rentseeking net of the tax collectors Why not recast the country's archaic income tax law system so that very citizen with specified minimum income — no matter whether employed by the government or business - must file income tax return voluntarily by a specified date every year?

The proposal to broaden the application of VAT, however, comes with a baggage of misgivings. VAT is essentially a re-

gressive tax — its incidence falls more heavily on the poor than the rich. Its extension would mean, at least theoretically subjecting the poor to even greater tax burden. In all likelihood, the proposed 2.5 per cent infra-structure surcharge on most imported products and certain domestic products will most certainly result in a VAT rate of 17.5 per cent on most consumer products. A better course of action could have been a reduction of the VAT rate to 12.5 per cent or even 10 per cent and broadening of its application. Apparently, the govern ment wants to reap the benefits of both worlds. Nobody knows it better than the Finance Minister that in many countries the VAT rate is 10 per cent or less.

The proposed budget suffers from some serious contradictions. For example, it intends to alleviate poverty on the one hand by introducing programmes like pension plan for hapless poor, but on the other hand it proposes tax measures, especially infrastructure surcharge, that would most certainly leave them worse off. Government claims to have increased duty on the threewheelers because of environmental consideration, why then it didn't increase taxes on cigarettes and bidis, that are responsible for killing millions? How can you promote education by increasing import duty on writing and printing papers? How can you ensure Health for All by 2000, by imposing newer customs duty on widely used syringe and saline infusion sets? How can you promote growth of textile and garment industries by imposing newer taxes or raw cotton, cotton waste, and textile machinery? How can you take care of

consumers' interest by protecting inefficient producers? Can the government come up with examples whereby protected infant industries grew old and became efficient at the same time? Consumers will always seek for cheaper goods. By protecting inefficient enterprises, by raising custom duties on commonly used goods, thereby making imported goods costlier, isn't the government opening up flood gates for illegal imports from India that currently stands at about US\$600 million a year? Yes, the government must

come up with revenue sources. But that has to be done more cautiously, especially in a market economy setting. For example by lowering tariff rates government risks losing revenue. But, in fact, it can even earn more. For example, in 1994-95, Bangladesh's imports surged by 39 per cent because of reduced tariffs, that helped the government collect more revenues than it could have earned from higher tariffs. By the same token, it could be argued that the government could reduce the rates of VAT and widen its coverage, and still could collect much more revenue by ensuring strict and honest enforcement, than it can possibly earn by keeping the rate the same and widening it's base further.

Overall, the framers of this budget seem to have failed to understand that they cannot solve all the problems of the nation - or meet all the commitments of the ruling party — by one single budget. There seems to be too many conflicting priorities, too much concerns for raising revenues and redistribute resources, and too many claims and constituencies to satisfy. Balancing all those in a single budget is undoubtedly a difficult job, if not an impossi-

Weekly holiday in the Postal Department

Sir, We welcome the government's announcement that all educational institutions, government and private, will observe one-day weekly holiday on Friday. The students will sigh a relief as they were very distressed by the announcement of two-day holiday. As it is, students usually suffer because classes are suspended many times throughout the year for different reasons, twoday weekly holiday would have been an added burden.

A press release of the Labour Ministry on June 15, 1997 said the new weekly holiday and office time would not be applicable to the organisations under Factory Act and the Shop and Establishment Act of 1965.

Postal department is a very important one, and for every establishment it is essential. So, two-day weekly holiday in that department will have a negative impact on every sector including people's personal spheres.

We urge the government to consider the matter seriously and re-introduce one-day weekly holiday in the Postal Department.

We hope and trust that the government will not waste time taking decision about an issue of national interest.

East Nasirabad, Chittagong.

Group of D-8

Sir, It is a tremendous achievement of the present government and personal triumph of the Prime Minister on the diplomatic front to form the D-

The formation of the D-8 is a positive and a very effective step in the right direction in regional grouping which is very much going to further the needs of the under-developed countries. In this region, SAARC has miserably failed to achieve its objective and has no significant contribution in the field of cohesive economic development and has outlived its utility.

The inclusion of India, Thailand, the Philippines and Sri Lanka shall contribute substantially towards the development specifically in this region as it has countries in the varied stages of economic development from highly industrial Malaysia to agrarian Bangladesh. In Bangladesh there is potential natural resources to be tapped. The group of Eight is going to play a very positive role in making balanced development within the ambit of the region concerned backed by other regional group-

The amalgamation of different countries with rich cultural heritage shall enrich the development of socio-cultural life of the countries concerned. The people of this region must try to understand the religion so that they might understand each other better without any bias or superstition which usually keeps them apart.

Al-Haj SM Khalid Chowdhury

Sir, At least, the distance runners of Bangladesh, Nigeria, Indonesia, Egypt, Turkey, Malagrain, Lanistan and Iran have received an accolade as they assembled together in the historic city of Istanbul. The fact is that the formation of D-8 is a milestone for 800 million Muslims living far away from each other in different continents of Asia, Europe and Africa to gear up common thinking, friendship, progress and prosperity for them. Our heartfelt congratulations to President Suharto of Indonesia, President Demirel of Turkey. President Ali Rafsanjani of Iran, Prime Minister Erbakan of Turkey, Prime Minister Sheikh Hasina of Bangladesh and Mohathir Mohammad of Malaysia.

We are further inspired and encouraged to know that the next summit of D-8 would be held in Dhaka in November

With Malaysia as emerging tiger of South Asia, oil-rich Iran, powerful Indonesia, Egypt as leader of the Arab League,

Nigeria being the biggest country in African continent, Pakistan as a huge cotton and wheat producing country, Turkey being an industrialist country and Bangladesh as the balance of power among the SAARC countries - we are confident that D-8 will act collectively to resolve the common problems of humanity in a world that is becoming globalised and the eight Muslim countries would go a long way in facilitating the cooperation among them for the benefit of member-countries as well as the prosperity of the group. We hail the launching of D-8.

We wish D-8 all success. O H Kabir

Wari, Dhaka-1203

6. Hare Street

One year

Sir, When the PM came to power, she promised that she would give a clear and transparent government. That's why she declared that all ministers of her cabinet would submit their total amount of properties. Now my question is: are the ministers so rich or are their properties so vast that it will consume so much time? They also may think that they will do it before the next election to show the public that they have done an exceptional thing. Now it should be remem-

bered that people are no longer

so fool and they know the difference between politics and showoff. Eyewashing activities cannot help running a government clearly. So they should do it very soon.

Mukul Chandra Saha 102 DN Road Narayanganj-1400

Ideal Muslim women

Sir. The idea that Muslim women are confined to their homes is quite wrong. It is even incorrect to say that Islam prefers women to stay in-doors all the time. On the contrary, it is mandatory for a woman to learn, and permissible for her to go out to work. Misunderstandings on this point may have arisen from incorrect understanding of a verse in the Qur'an which says,.... 'Stay in your homes and do not bedeef yourselves as in the days of ig-

norance' This verse, addressed to the wives of the prophet in particular, but also to all other pious women, simply advises women to stay at home if there is no good reason to go out. It suggests that it is better to stay in-doors and concentrate on making warm and happy household than to go out for no particular purpose. Conclusive proof that women are not required to stay in-doors at all times comes from a saying of the Prophet (SAWS), who said, "Allah has

allowed you to go out for your

Shahera and Tahera 119, North Bashaboo Dhaka-1214

Brothels

Sir, About 250 prostitutes were evicted from Kandupatti brothel. We appreciate the moral outrage as expressed by the local people for getting rid of living nearby a den of sex trade. Prostitution can never be a profession like smuggling, that, dacoity etc.

Prostitution is a curse - a great trouble for the society for the rights and dignity of women. A lot of illegal activities like drug trade, criminal activities and forcing minor girls into prostitution take place in the brothels.

However, eradication of prostitution must be done through proper planning by the government. They must be rehabilitated in a proper way. otherwise the problem will remain.

The government should take

proper steps for those distressed women and some rich people of society also must give attention to this matter. Why are they delaying so much in this crucial matter?

Md Amir Hossain 165. North Bashaboo Dhaka-1214