

One fifth of country's population, i.e. 23 million people are living on the edge, being exposed to arsenic contamination and in five years time this rather lately discovered foe, at its present unchallenged status, is all set to assume epidemic proportions. A recent World Health Organisation (WHO) report has sent this alarm bell ringing. A bell we probably did not hear even in the worst nightmares related to arsenic poisoning. Or perhaps we, even after being informed of the slow but sure and huge hazardous potential of arsenic, never felt the necessity of thinking collectively and seriously enough to have even nightmares about it.

How else can one explain the general nonchalance of those entrusted with the job of public welfare? In fact, the way things have transpired in last six months or so, it seems without the pioneering efforts of Community Hospitals and present initiative of WHO, it would have perhaps taken us another three or four years to know the exact state of arsenic contamination in Bangladesh. Such has been the callousness of the lawmakers and politicians, the men and women responsible for shaping people's future.

It would be unfair though to singularly blame people at the helms now. Arsenic reality has been on course of progressive deterioration for some time now. Indiscretion and tunnel vision of the policy makers have helped the problem strike roots as exemplified in the indiscriminate sinking of tube wells and the consequent disturbance in the upper aquifer.

It seems we have exhausted all scopes of collective guilt when it comes to responsibility in issues related to public welfare. WHO's suggestion that the government may declare arsenic poisoning national emergency is probably the tip of the iceberg. Real problem is likely to be lot bigger and worse. We can only stick to our minimalist approach in paying attention to the problem at our own peril. So far, it has not seemed from the attitude of either the government or the opposition that public health in Bangladesh is courting such an enormous disaster.

We specifically suggest the government constitute an inter-ministerial task-force immediately with representatives of relevant NGOs and WHO and convene a national conference to assess the present situation and take immediate measures including that of informing the public as to how they can tackle the situation.

## A Commendable Concord

In a welcome departure on Thursday from the sickening pattern of self glorification at the cost of each other, ruling Awami League and opposition Bangladesh Nationalist Party (BNP) agreed to the proposal of a parliamentary inquiry committee. Headed by the Speaker, it will probe into the allegations of kick-backs offered by a foreign telecom company to some members of Khaleda Zia's BNP government apparently to win the contract for establishing telephone exchanges in Bangladesh. We welcome this announcement, made possible through the gutsy approach adopted by the leaders of the two parties.

Finally, our politicians have shown an attitude that deserves to be praised not only for its sheer propriety of place but also for that it promises to serve well the drive against corruption as well as the cause of transparency.

Nothing can defeat the purpose of good governance more than corruption. Although it would be utopian to expect or claim a corruption free society particularly in the socio-economic reality like that of ours, the enormously dangerous impact of corruption at the fountainhead, so to speak, can in no way be played down. If corruption is rampant at the executive machinery of the state, little wonder that the body politic would remain free from it.

Besides, transparency which is such an essential component of democracy is pitted against effectual challenges only in testing situations like these.

With the image of both the parties at stake following a minister's throwing of the gauntlet, we hope the sense of urgency to form the committee would not be in short supply as we do not expect would be the desire to seek the truth by avoiding those familiar pitfalls of squabbling.

## Greening the Country

The national tree plantation campaign got into gears yesterday. There apparently has been a shift in this yearly event. Formerly, it used to be mainly a matter of media campaign, very little to do either with trees or with plantation. This year media hype has been on a low key. The stress has shifted to the actual thing, plantation. Not all the fills are gone, however. This year we had a tree plantation rally headed by environment minister Sajeda Chowdhury. They, forest and environment bosses of course meant a march and not indeed a rally. And how is such a march from one city place to another nearby going to promote plantation and motivate people to go for it?

It must be admitted for fairness's sake that our highways are far greener than they used to be a decade or two back. One is tempted to believe that the worst is over — somehow. Let this be true although we do not know how. For beyond the pleasing views of roadside, new trees or the new pastime in Dhaka for having plants in rooms and stairs and roofs — the forests are being denuded as ever. If an average-sized family of six consumes a ton of firewood a month — less than a maund each day that is, we would need more than 250 million tons of wood fuel every year. Are we planting that much trees every year?

But things are moving now. The NGO's have a big hand in this change for better. And tree for plantation has become good business — this also helps. The best part is, however, being played by the ordinary people. They seem to have picked up a love for trees and flowers. Looking at the brisk flower retailing at street corners it is difficult to recall that only a dozen years back not a rose was there to be bought and *rajanigandha* was something found only in poems.

We had been counselling government about planting larger saplings — ten feet and above — for road islands etc. — considering that these survive better even without elaborate protection. We suggest this year that botany students at graduate level be charged with supervising the protection and growth of chunks of government's city plantation programmes.

THE role of universities in socio-economic and political uplift of a society is well-known. Universities are, to say the least, assumed to be centres of innovation and research as well as sources of skilled manpower that are so much needed to keep the wheels of development moving. While I was in North Carolina (NC), USA, recently, I asked some foreign investors as to why they had poured investments into NC or as to why NC has been able to attract more foreign investments than others. A priori, I reasoned that NC might have offered a better economic incentive package than others to lure investors. But the answers I got upset my presumptions. Economic incentives are necessary and short-run needs, they argued, but long-run non-economic factors drove them all to NC. The most important non-economic factors as they cited were: Better quality of life (less crime and pollution), active state government support in terms of providing facilitatory services and, the most important, higher educational standard in NC supported by the existence of three top-ranking universities side by side.

On my way back home, I gathered that growing dissatisfaction were mounting large in Thailand in the face of a declining standard of university education, especially, compared to other competitors in South-east Asia. Concerned quarters tend to view this decline in productivity in universities as a threat to inflow of foreign investments. And back home, very recently, one of the VCs informed us that many investors complained to him about the unhealthy academic atmosphere in our universities which stands to blow up the hopes of more foreign investments. Business, trade and investments never flourish in countries where universities are not prone to pens but prey to guns.

In a recent seminar organized by the Federation of Bangladesh University Teachers' Association, the precarious situations inside our campuses stole the seminar title. President Justice Shahabuddin

## The Chancellor's Amplified Anguish

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Ahmed, widely-acclaimed for his ingenious hard-hitting remarks on some of the national issues, once again deprecated the happenings in and around the campus and to that effect, fired his indignation. His diatribes speeches, of late in convocations and seminars, already earned for him fame from a larger segment of the people and the press, although, perhaps, his detractors would never forgive him for his straight-jacket landing on conclusions regarding politics of students and teachers. We share his amplified anguish given the fact that the standard of our university education is going down the plane and also given the realities that the universities would no longer have to supply manpower to the protected job market but to a market which is becoming astoundingly competitive both inside and outside.

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gushing performance in universities could be adduced to three important factors: political, economic and structural. The command of political factors over the other two should duly be recognised all through.

We think that the President's remarks on students' and teachers' politics in universities should not be misinterpreted to create a smoke screen. He proposed, we suppose, not a depoliticisation of campuses but de-linking of campus politics from mainstream political parties. As it appears now, we all tend to serve political parties vying for power but are not so much eager to serve politics of the nation. If a teacher likes to uphold the principles of a particular political party that he/she deems fit, the routes could be respectfully different

mending suitable positions for godfathers. Second, the front organisations derive so much strength from parent political parties that university authorities miserably fail put them under university management rules. May we request our Chancellor to make attempts to bell the cat by calling upon all political parties to a roundtable conference and urge them to de-link their front organisations or else seek suggestions from them as to how the rats could be contained?

The economic factors are also very important in affecting productivities in universities. Tuition fees are fixed at Tk 10 per month for a student and so are other charges. Even a fee one take rise per year in tuition fee since independence would have increased it up to Tk 36-40.

**Beneath the Surface**

by Abdul Bayes



and like those happening in other countries: doing research for them, organising seminars and workshops on their principles and writing articles in their favour. The danger lies when teachers associate students within the campus to pursue their goals. *Empanant*, one needs to bear in mind that neither all teachers nor all students tend to chase politics of the kind that the Honourable Chancellor referred to. In fact only some of us seem to do it. Allegedly, some teachers appear as godfathers of student organisations and provide them with money and on occasions with arms. Students cannot form their own executive committees without approval of those godfathers. Why? Because these student organisations and their leaders are believed to play pivotal role in influencing political leaders and in recom-

per month now. In fact, back in 1960s, I used to pay the same amount and far far back Justice Shahabuddin Ahmed is reported to have paid the same. Needless to mention here that food charges have been growing over the years, although very modestly. University authorities try to make attempts to raise charges but are retreated by slogans from students' organisations and political parties.

The slogan is interesting: Education is basic right and no shrinkage would be allowed through making it expensive. We beg to differ on this point. Basic education is a basic right of citizens and a state/government must provide people with basic education at whatever costs it takes to be. University education should not be considered as basic rights to compete for scarce resources which could otherwise

be deployed to provide basic education to common people. Higher education should be based on pure merits with special funds earmarked for poor students.

Based on the premise that university education is a basic right, heavy subsidisation of such education is taking place. The present system of subsidising higher education, allegedly, is highly regressive and tends to widen social inequities. The marginal disutilities of parting with Tk 10 is not same for students hailing from two opposite social strata, rich and poor. The rich-family students pay this negligible amount from their titanic household income while poor family students pay it from subsistence household income.

The gains are same (getting education) but the pains are extraordinarily different. In other cases also, subsidies are reaped by both the haves and the have-nots. A just system should charge higher prices for university education and transfer a part of the revenue to those who need it. The slogans are generally raised by the rich in the name of the poor to swallow most of the subsidy.

Such a pitifully low price for education (call it 'no price') tends to make the whole system a mockery. The marginal cost of delaying the completion of the courses is almost reduced to zero. The students find no ethical ground to exert pressure on their teachers to be on time nor the teachers find any incentive to spend extra minutes. Raising of tuition fees, say to Tk 100, would allow authorities to put more money on research, creation of modern amenities in class-room, buying books or journals and thus help upgrade productivity in universities.

Salary structure in universities are not good either to attract devotions of teacher on research and academics. Historically, they have been tagged with national pay scales to be at par with public servants. Teaching and research organi-

sations should have separate pay scales and should invariably be much above the national average to lure brilliant human products in education. But again, universities should promise to freeze recruitments (in case there is over supply), and adhere to strict academic and financial rules. In the realm of academics, the principle should be "publish or perish" (not publish and perish) and incentives should be tagged with ability to produce. The universities should have full autonomy in academic matters but should be seriously penalised for violation of financial rules of the government, if and when found.

The universities of Bangladesh should try to retrieve the lost glory. There is a strong notion that University Act 1973 persists as a big structural problem in the way of developing potentials of universities. We think that the Act should be evaluated properly by respective teachers' associations, the Federation of University Teachers' Associations and by the government. The government should seek opinions of the major political parties also. The government should also make an attempt to examine the issue of delinking front organisations from mainstream politics. And lastly, university teachers should be paid at least at par with neighbouring countries but subject to the condition that universities absorb some of the financial regulations of the country. "Give and Take" should be principle of negotiation.

Finally, we share the concerns of the participants in the last seminar by Bangladesh Federation of University Teachers' Associations. Mr Justice Shahabuddin rightly pointed out the grievous faults that are eating into the vitals of the highest citadels of learning. Remember, unless universities are right, everything around is bound to go wrong. The President rightly said: "There will remain buildings, teachers and students but there will remain no education in future if the trend continues."

## Budget 1997-98: Economic Sense and Nonsense

by Humayun Kabir

*People are already paying for unproductive expenditures of government. Why should they pay more in the form of development surcharge... On the other hand, if we take into consideration the introduction of new pay scale, then further price-hike will worsen our common economic life.*

lated through proper policy incentives and their implementation, the costs may outweigh the benefits of such subsidy. From the perspective of current paradigm of information failure and prevailing incomplete market structure in agriculture sector, such subsidy may sometimes bear significance, but the nature and composition of subsidy are critical issues to be addressed in evaluating its success. The present government (also previous governments) has no rigorous research outcome in this respect and still has the commitment to continue such subsidy indiscriminately.

On the other hand, though government has committed to promote private sector as an engine of growth and export-led growth strategy, there is no reflection of comprehensive outlook and policy package in the budget speech in this respect. Rather the government is pursuing old-fashioned way of reducing or increasing tariff rates without taking into account the impact on the effective rate of protection or assistance that actually matters in the process of economic liberalisation. Export-oriented industries are facing many non-tariff barriers that the budget has not addressed in order to remove them to facilitate incentives for export promotion. Also, in order to promote private investment, nothing significant has been proposed in the budget except a slight change in the income tax structure.

And there is no assessment that how much domestic savings that is crucial for financing industrial development would be generated in this financial year due to financial and tax incentive policies in the current budget.

A credit programme of at least Tk 1000 crore has been proposed for cereal sub-sector of agriculture. There is nothing to say against such allocation.

The problem arises when non-cereal sub-sector gets no attention that has really happened in the budget. Total ADP allocation for just fishery and live-stock have been proposed at only Tk 130 crore. Agricultural diversification which helps in achieving higher growth rate and creates self-employment opportunity can never be achieved neglecting non-cereal sub-sector. Moreover, the demand for products of non-cereal sub-sector are income elastic implying that as income grows a greater proportion of income goes in expenditure on such products. This stimulates production and generates employment as people get money to start such business. At the same time, it helps reduce import-dependency for such products that eventually saves foreign exchange.

Given the present growth rate of population, the labour force that is growing every year cannot be absorbed in agriculture sector anyhow. If non-cereal sub-sector were supported it would help ease huge unemployment burden though not to a tolerable. So without industrial expansion unemployment problem can never be solved. The current budget shows no direction or even have no employment target in this respect.

As a result, industrial development and export-led strategy may face a frustrating fate.

Being unable to cut down increasing level of government expenditure (specially revenue expenditure) and to find out alternative sources to finance that expenditure, government has rather adopted some tricky ways to encounter fiscal imbalance. On the expenditure side, the current budget gives us three surprises (some call them 'innovative measures'). They are: old age pension (50 crore), housing fund (50 crore) and employment bank (paid-up capital 50 crore). People from

different professional groups are appreciating such 'social security measures' being for the first time in Bangladesh. If government were in the right track in pursuing and implementing policies for industrial development conducive to domestic private and foreign investment, liberalizing financial and trade sector for external competitiveness while protecting domestic industries against smuggled products, we would have no reservation to show. Economic liberalization has some cost to be born by the general mass. Are these measures to ameliorate that cost? Economic liberalization so far done has contributed nothing substantial in generating income from industrial sector; rather the process of liberalization has given signals of expanding trading and smuggling. This has the cost over actual cost of liberalization. Should government do something to lessen that cost too?

The lobbying group in the government seem is not in favour of such liberalization policies that benefit in the long run even at the cost of initial short-run expense. Then the government, being unable to tap growing public expenditure (specially revenue expenditure), is trying to turn our eyes to so-called 'social security measures' that amount to Tk 150 crore only and frequently claiming its success in doing so in the face of political clamour of opposition parties on the budget.

With paltry success in some sectors, but robust failure in reducing distress of common people, these three surprises can be termed as 'political safety measures'.

On the revenue earning side, the government has another surprise for which it has been highly criticised by professionals, politicians and different pressure groups. That is: infrastructure development sur-

charge at a rate of 2.5 per cent. According to the budget speech, this surcharge will be levied on all imports except some exemptions such as imports for export purposes and on certain locally produced goods and services that are yet to be notified. Total revenue collection has been targeted to increase by Tk. 1960 crore in FY 1997-98, of which net increase in tax revenue will be Tk. 382 crore taking into account the losses of revenue due to reduction of different taxes and tariff. And the proposed surcharge is expected to yield Tk. 350 crore of revenue. A huge collection with the increase in revenue in the FY 1997-98 is expected to be achieved based on potential success in administrative reform measures, intensive monitoring and supervision and through exploiting non-tax revenue sources. But such high dependence on non-tax revenue sources like infrastructure development surcharge for revenue generation can never be expected without considering its cost on the society.

Government has expressed the view that this revenue earning will be used for poverty alleviation; but how that goal can be achieved? Perhaps it will be through infrastructure development, as it seems from the type of surcharge.

In the current budget, total investment in physical infrastructure is estimated to be Tk 7327 crore, of which allocation to rural infrastructure development is only 67.08 crore (both revenue and ADP), i.e., not more than 10 per cent of the total allocation in infrastructure. The benefits of infrastructure development require some gestation period to spread. Moreover, since the incidence of poverty is significantly higher in rural Bangladesh, such puny allocation is not expected to yield that much effect in reducing poverty as has been voiced by government. Most impor-

tant, the way of financing the expenditure such as last resort like in the previous financial year to fixtures. This may also result in shying out of private sector investment causing sluggish industrial growth and further financial sector indiscipline. How would government protect macroeconomic stability to ensure targeted growth and well-being of people in such a situation? Government should rethink the whole matter for a better budgetary policy.

On the other hand, if we take into consideration the introduction of new pay scale, then further price-hike will worsen our common economic life. The spiraling of inflation in this way may even reach its severity

tantly, the way of financing the expenditure in reducing poverty through such surcharge seems to affect the real income of every earning member in the economy. It may be so that our export sector is not affected by this surcharge, but due to high import-intensity of our manufacturing sector and high dependence on imported finished goods, the general price level is expected to rise considerably. It should not be confused that like import taxes or tariffs or the objective of the proposed surcharge is not to reduce import to facilitate broadening our manufacturing base, rather it is to generate revenue for expenditure that the government finds no other way to finance.

If government were able to cut unproductive expenditures, the money saved would be used for the same purpose without any burden on common people. Understanding people's reservations for tax increases and taking the political safeguard in the name of 'development', what government want to do is rather 'anti-development' in essence. People are already paying for unproductive expenditures of government. Why should they pay more in the form of development surcharge for revenue generation can never be expected without considering its cost on the society.

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