

Of Damaged Roads

The Dhaka City Corporation (DCC) has asked for a government grant of Tk 153 crore for repair of the city's roads, lanes and bylanes. Already Tk 30 crore has been allocated for the purpose. One-third of this amount has been earmarked for repair of the most important roads and streets that pose a serious risk to the movement of vehicles.

We understand the need for emergency repair, but when most of the city roads call for such urgent attention, even the contingency plan or measures cannot cope with the situation. This is what has exactly happened. A report says that the DCC spent only Tk 90,000,000 on this head last year and without much of a plan. This year, too, the whole summer has gone without anyone showing any concern for this issue.

We do not know if there is problem in funding the yearly repair works but we can realise that the planning for the job is suffering due to lack of co-ordination. We suggested through this column that an effective coordination among various metropolitan agencies is needed to avoid overlapping activities.

A coordination committee came into being all right with the city mayor and the LGRD minister acting as co-chairmen. However, we cannot say that this has made any significant difference in putting their acts together. So, we suggest that the committee for coordination of the city's development programmes meet more frequently for doing the jobs better and much more efficiently.

We Condemn

It is unbelievable that people in religious attire marred the inaugural function of the Eid-e-Miladunnabi observance programme on Thursday evening at the Baitul Mukarram premises. The venue itself was holy, the occasion as haloed as Eid-e-Miladunnabi and on hand befittingly was the President of the Republic to inaugurate it in presence of several diplomatic mission chiefs.

President Shahabuddin had to leave the venue without making his inaugural speech amidst a bedlam which put question mark on our religiosity, civic standards and sense of propriety before the national and representatively foreign audiences.

Despite the impassioned hammering on the point that it was not a political meeting but a highly sacrosanct occasion for the commemoration of the life and works of the Prophet of Islam, neither the Khatib of the Mosque nor anybody else could restore order there. In the process, the trouble-makers stand thoroughly exposed for attempting to undermine religion through political overtones.

This has hurt the sentiments of Muslims in Bangladesh, and on their behalf, we record our condemnation of this act of sacrilege on the memories of our holy Prophet in the strongest language we are capable of. Our deprecation is also unambiguous because they had gone there to make a scene without the slightest of regard for the sentiments of Muslims who assembled to see President Shahabuddin, a man held in very high esteem by all, inaugurate the function.

SAGQ Re-focused

We have been a pusher for debates at the political, expert and public forums on the turn-of-the-century-question relating to the formation of a South Asian Growth Quadrangle encompassing Bangladesh, Nepal, Bhutan and the seven north-eastern states of India. Since the mootings of the idea at the foreign ministers' level in New Delhi more than six months ago and its adoption at the level of foreign secretaries at Kathmandu subsequently, all we have had by way of deliberation on the subject is a sharply divided political diatribe between the ruling party and the opposition.

The seminar on "South Asian Growth Quadrangle: Bangladesh Perspective," organised by the International Studies Association of Bangladesh (ISAB) at the BISS auditorium on Thursday, merits appreciation for bringing up the subject on a serious note after it had been willy-nilly consigned to a hibernation of sorts.

We would like to peg our hat on the assurances the State Minister for Foreign Affairs Abul Hasan Chowdhury gave in the seminar to the effect that an expert opinion will be elicited on the security question in determining the areas of cooperative with the partners while we welcome the preparation of various approach and research papers in the prelude to taking a plunge, our focus is lent to the dire need for routing the question through the Parliament and other bipartisan channels and public forums in a bid to reach a whole-hearted national consensus on the subject.

Privatisation: New Signal?

Whether the government has done the serious homework needed before postponing the decision to privatise is not very clear. But by taking the decision, it has not only revised its previous position in favour of large scale privatisation of SOEs, but also has given a new signal to the market and the Privatisation Board about a possible retreat.

Can the Sugar Mills be Made Profitable?

It is would be enlightening for everyone to find out the reasons why all the existing sugar mills are not currently profitable. Before focusing attention on the cost-price side, some basic information would be useful to understand the special situation prevailing in the sugar sector in general. There are now 16 sugar mills of out which 11 are losing concerns and only 5 are marginally profitable. These latter ones can easily become losing concerns if their management are not sufficiently careful in cutting costs in the future.

There are three categories of employment in the sugar mills: regular round the year, seasonal and casual employment. The last is a very small component, while the seasonal and the regular ones are the recipients of the largest amount of salaries and wages.

The main reasons why the industry as a whole has been incurring losses are the following: overstaffing, high prices of sugarcane, poor sucrose extraction rate from sugarcane, high tax rate, moral hazard, lack of

cost-cutting innovations and corruption. It is worth explaining these issues briefly.

Overstaffing: Since the early years of independent Bangladesh, all the nationalised industries had to absorb substantial number of politically dictated employment of officers and workers. This has continued throughout the country's history. By some calculations, there are about 20-30 per cent over employment in almost all nationalised industries. These have overblown the wage bills.

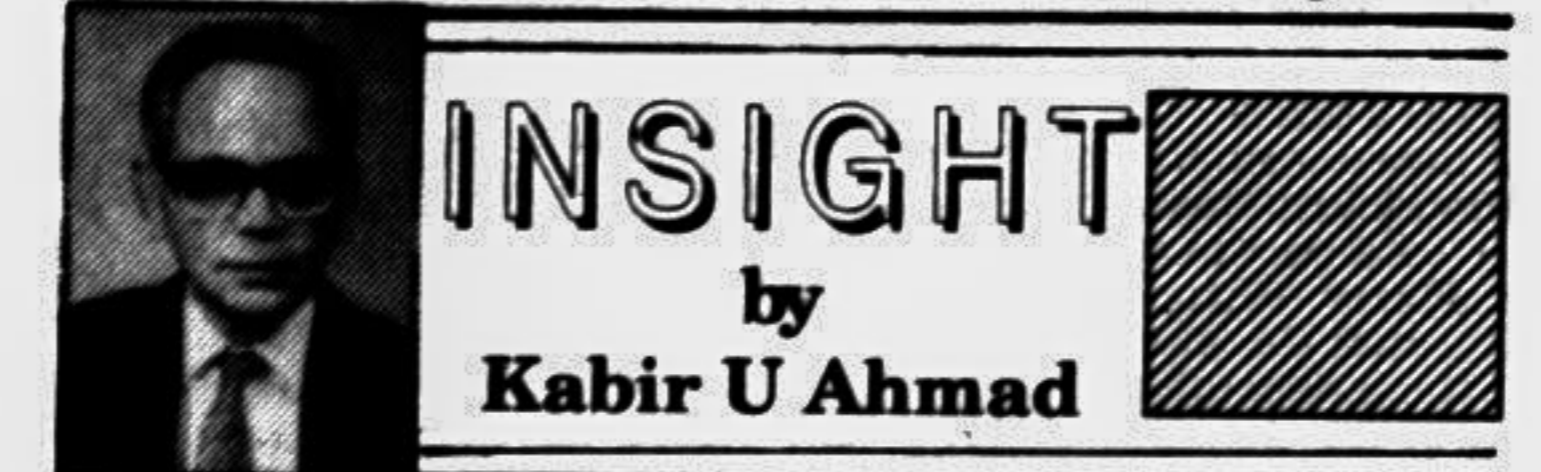
High Sugarcane Prices: The principal input of sugar production is sugarcane which accounts for about 90 per cent of the total input costs. Until

decades in the Sugar Research Institute in Ishwardi, haven't succeeded to produce one. They did, however, produce one variety but it had fungus and was therefore abandoned. Note that all sugar mills have to pay a levy of Tk 4.5 per maund of sugarcane produced to pay for these researchers.

High Tax Rate: Apart from tariff protection to refined sugar import, there is a whole range of duties from 15-30 per cent on imported inputs like sulphur, canafix, lime, furnace oil, caustic soda, soda ash and sodium sulphate etc., and a VAT rate of 15 per cent. Further, there is 15 per cent uniform rate of VAT on refined sugar. Elec-

tricity is charged at industrial rate although the irregularity of its supply causes considerable extra cost. Moral Hazard: Officers and employees do not put in the contractual amount of their time and effort to be mills. Workers are reported to postpone their office-time work for the overtime period during the peak season to draw higher overtime rates of pay.

Lack of Cost-cutting Innovations: There are ways of reducing production costs. One of them is the introduction of computerised management and accounting system which would not only reduce the level of high paid jobs but would also improve performance efficiency.



INSIGHT by Kabir U Ahmad

1989, sugarcane prices at the delivery point were Tk. 27 per maund, but in early 1990, former President General Ershad raised it to Tk. 37 per maund, which has delivered a heavy blow to the profitability of the industry as a whole. Note that even now the Indian price is only about Tk. 20 per maund.

Sucrose Extraction Rate: The rate of sucrose extraction in Bangladesh is only about 7.5-8 per cent per maund of sugarcane which is the lowest rate in the whole world. In India, it is about 12 per cent per maund. Indian researchers have been able to develop a high sucrose yielding variety of sugarcane but Bangladeshi researchers who have been working for

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Development Challenges and Bureaucratic Reform

by R. H. Khandker

The hesitations in foreign business circles will continue until they see the civil service geared to the promise of the Prime Minister. We must bear in mind that foreign investors will act in response to the lure of profit prospects, as do the indigenous investors.

THIS article is written to express the apprehension that Bangladesh's goal to achieve a 7% growth rate of its GDP at the threshold of the 21st century will remain unfulfilled. There are many reasons which make missing this target as probable, but there is one which makes it almost certain. That reason is the existing inappropriate public support system, or the bureaucracy as we call it. This apprehension stems from the fact that, although there have been many positive changes in the policies of the government in support of a rapid growth of the economy, the bureaucracy has remained unreformed.

There have been some good reports prepared by international institutions including the United Nations and the World Bank revealing the weaknesses of the current public administration and suggesting systemic changes to make public administration more responsive to developmental challenges. These reports had been presented to the past BNP government which appointed committees to examine and implement them, but nothing happened. The present Awami League government inherited those reports and should feel

responsible to take appropriate actions. The last report of the World Bank perhaps had the involvement of the son of the present Finance Minister Kibria and, if I remember correctly, the Minister himself wrote an article in a Dhaka daily expressing his agreement with the findings of that report and his resolve to implement those. I had read that article in New York where it was reprinted in a local weekly newspaper. I had strong doubts in my mind about the Awami League government's doing anything touching on the interests of the civil service which lent its support to a movement that helped put the party in power. Nevertheless, I felt encouraged by the writings of the Finance Minister whom I hold in high esteem.

It all was some months ago; and now I have lived in Dhaka for about three months observing things and trends for myself. I must admit that I do not see any evidence that the present government is about to

embark on any far-reaching reforms in the bureaucratic system. I have talked to many responsible people including some high level government officials who thought that my earlier expectations were naive. I now come to agree with them and return to my earlier reservations. I do not intend to deal with in this short article why the present bureaucracy is unsuitable and inappropriate to meet the challenges of fast economic growth. I believe that it is widely understood and accepted. My only object is to highlight the point that, if the nation cannot overcome the feeling of submission to the inevitability of the civil service remaining unreformed, it should likewise remain submitted to the inevitability of not achieving the cherished economic goals.

The principal reason advanced in support of the prevailing pessimism is that the bureaucracy is too strong an in-

stitution to be affected adversely by a reform programme. This axiom has been reinforced by the Awami League's sense of obligation to the civil service. As a reform programme for the civil service should insure qualitative improvements, it would likewise result in quantitative diminution. The entire service has to be restructured to discharge developmental functions, not as actors but serving and supporting the real actors in the private sector. This will certainly cause dislocations and loss of privilege and power for too many civil servants. Though the size of the civil service may not ultimately diminish by meeting the challenges of an expanding economy, in the short run there must be some downsizing of the existing government machinery. The Government in power must be able to induce the bureaucracy to accept the reforms as necessary and by offering transitional benefits.

Prime Minister Hasina and

Finance Minister Kibria are traveling to many foreign lands explaining the investment-friendly policies of the present Administration to the Governments and businessmen abroad to induce them to invest heavily in Bangladesh. Although the Prime Minister expresses high optimism about the 'prospects' of such investments, the hesitations in foreign business circles will continue until they see the civil service geared to the promise of the Prime Minister. We must bear in mind that foreign investors will act in response to the lure of profit prospects, as do the indigenous investors, not to the imploring of a Prime Minister or a Finance Minister. The current antiquated civil service, and no prospects of any early reforms, are almost certain to cast a shadow on the profitability of investing and doing business in Bangladesh, notwithstanding official pronouncements.

If the Government is unable

or unwilling to bring in an appropriate civil service. It should consider the political fallout of failing to achieve the desired developmental goals. If successive Governments fail to achieve civil service reforms, the nation must wait for the time when the tax-paying voters would realize that reforming the bureaucracy is in their interest and compel some political party to place civil service reform in their election manifesto, and then vote that party to power. This happened in United Kingdom when Margaret Thatcher promised to destroy the power of labour unions and was successful. That brought economic progress and prosperity to her country. That kind of scenario seems remotely realistic in Bangladesh. In the mean time, we have to depend on the courage and conviction of the Government in power.

Lastly, since the present article is a kind of personal perspective, I should clarify my own identity as one almost always belonging to either a national or an international civil service.

The writer is a retired official of UNDP in New York and Bangladesh Planning Commission.

To the Editor...

Dhaka's population control

Sir, The rate at which the population of Dhaka city is increasing is simply incredible. There are swarms of people everywhere you look — on roads, in markets or even in residential areas. This is so, because people are pouring into his mega city from all directions, from villages, from small towns, from abroad (when they make some money they think Dhaka is the only place to live in and invest in) and there is another big factor which most people have overlooked.

It is this system, that almost every government officer, including armed forces personnel are to get a plot in Dhaka city. So one can imagine the vast number of people settling in Dhaka in this way. It was OK in the past when officers were few and land was abundant relatively. But now if the population of this city needs to be controlled one must think of alternatives. Because when these officers get a plot in Dhaka, their children, grand children and also some close relatives end up in Dhaka.

Well-planned residential areas for officers must be set up by the government in all district towns. Officers can be given a choice to start constructing a house here, if he had nothing in his own home town.

If a senior, retired, educated citizen settles in his own district town, among or near his own people, in a short time he'll be well-known, respected and admired by the ordinary local people, for whom he is a great personality as there is none of his status for miles around. He

can also engage himself in social service of his own community, and use his knowledge and wisdom to help them solve their problems. Money is not the only thing which these people need for their welfare and well-being. They can be helped in so many other ways too e.g., by giving them good or proper advice and guidance. For they are sure to come to that respectable, retired government officer for help.

Now we hear that the all MPs and ex-MPs are to be given plots in Dhaka city. This is simply ridiculous, for these people have been elected by the local people to look after their welfare. If they live far away from them in Dhaka, how can they, then, do so? Again, why is the government increasing the population of the capital instead of trying to decrease it?

Another way to combat this alarming boom is to make a rule that anybody having more than two children will not get further promotion in any service, government or non-government. This kind of rule is probably followed in China. So limiting the number to two children should not be objectionable to many, as it is so much more convenient for a service man, than to raise a big family. In these days of exorbitant price hike of all the essentials of life.

Dr Sabrina, Dhaka Cantonment, Dhaka.

"This is Unjust"

Sir, I fully subscribe to the views expressed by Mr Golam Kibria in his letter under the captioned subject on June 30, 1997.

Strange enough, our Minister in-charge of Public Works could make such a statement in the Parliament for allotment of plots to members of parliament (MPs) in Nikunja project in total disregard of thousands of applicants. He has not said whether MPs who already own a plot in Dhaka will not be given a second plot. He has also not mentioned anything about the applicants who applied long time back and whose money is being utilised by RAJUK. Will

RAJUK give interest at a reasonable rate to the unsuccessful applicants?

It seems whether BNP or AL is in power, the MPs become the first beneficiaries. They can get a tax-free car and now a plot in a prestigious location in the capital city and what not. They do not pay their utility bills such as telephone etc. They can become eligible to contest in the elections just by paying 10 per cent of their defaulted loan amount and perhaps not paying anything back during their continuation as MPs in 5-year period.

I only hope people will one day come up against this kind of trend and give a severe jolt to this unjust system.

Md Abdul Wali, Mohammadpur, Dhaka.

By dint of certificates

Sir, Achieving certificates and earning knowledge are not the same thing. Acquiring knowledge should be the main purpose of education. But nowadays a tough competition is going on among most of the students to achieve certificates. They want certificates, and nothing but certificates, ignoring the importance of earning actual knowledge. So, the students run after the examination centres from where they can get the opportunity of adopting unfair means in the examination with a view to have high marks. There are several reasons for which the students are hankering after certificates.

Good certificates are only factors to get some government and non-government jobs. Sometimes, teachers are sent abroad for higher training only on the basis of certificates. In the new admission system, marks are only means for getting admission into the colleges.

Besides, in all the competitive examinations or tests, a particular weightage is taken for making merit-scores. In most of these cases written test or examination is not given importance. I don't argue against certificates but only certificates cannot be the vital factor for getting a job as all the examination centres are not

free from crimes. Side by side with certificates, written examination should be given priority in getting into an employment. All arrangements should be made to prevent unfair means in the examinations.

Md Abdur Rahim, Assistant Teacher, Comilla Zilla School, Comilla.

Following the tradition

Sir, Khandaker Musharraf has been made Bangladesh envoy to Canada. He is hardly a well-known political personality. As such, in the garb of political appointment, the Prime Minister has appointed her daughter's father-in-law in the high diplomatic post. She has forcefully justified her action in the Parliament. This was not needed. She could only say that it was their family tradition.

Her father, Bangabandhu, appointed his brother-in-law, late Syed Hossain, to the post of provincial level Section Officer, who in the then Secretariat parley used to be called Giant Secretary and for all practical purposes he was so. Since, according to Awami intellectuals, Bangabandhu cannot do any wrong, it is perfectly all right when Sheikh Hasina is following the tradition.

S.A Satter, 125 Malibag, Dhaka.

Think seriously

Sir, One of the past governments of Bangladesh took many a decision with far-reaching effects. Subsequently, some of those decisions turned out to be good for the nation. But some turned out to be not-so-good and two of such decisions were a) barring use of English language from official communication and b) declaration of Friday as weekly holiday. Both the issues are so sensitive in nature that even if succeeding governments felt otherwise, those could not be changed. But we may have reached a point now when we should, at least, talk about these issues.

Reportedly, our neighbouring countries (e.g. India, Pak-

istan, Sri Lanka etc) have not rejected the English language like we have done, rather they are using the language side by side with their national language. Hopefully, at some future date they would eventually change over to their national language and English would merely have the status of a second language. In any case, they do not seem to be in any particular hurry. Some countries (e.g. China, Japan etc) which did not care much about English earlier, are now learning the language. Because English is recognised not only as the language of science but also of international business communication.

Many concerned citizens of Bangladesh now realize that the decision to do away with English was taken rather too soon and English should have been allowed to continue along with the national language for some more years to come. English was our official language for centuries and as such we had an inherent advantage. Even our clerks in government offices had sufficient knowledge to run official business in English. There used to be a good English teacher in every remote high school of our country. Many of our politicians and bureaucrats are products of such schools. After the language was barred from official use, school syllabus was changed and it was no longer necessary to have knowledge of English to obtain university degrees and to get government jobs. The dedicated teachers in the schools lost their pride and interest in teaching the language. This resulted in almost complete destruction of the system of English teaching/learning at our schools.

According to one estimate it will take anything between 10 to 20 years to rebuild the system and regain original level of proficiency even if the bar is lifted now. Some developing Islamic countries had earlier changed over to Friday as weekly holiday. But soon they discovered that in order to achieve faster progress and in the interest of keeping pace with technology-

and productive efficiency. Remember that the Indian sugar price is far more competitive than those of Bangladesh.

Wrong Signal?

Whether the government has done the serious homework needed before postponing the decision to privatise is not very clear. But by taking the decision, it has not only revised its previous position in favour of large scale privatisation of SOEs, but also has given a new signal to the market and the Privatisation Board about a possible retreat. If similar pressures of workers, managers and other beneficiaries of the existing SOEs are exercised upon the Prime Minister and the Commerce and Industries Minister, could they resist them? Will not the last week's decision be used as a precedent? The government will therefore be forced to accommodate all such pressures. Where does this process end?

New Social Compact?

One good thing that may emerge from such possible back tracking on privatisation is the development of a New Social Compact among the workers, staff and managers of factories and the community of input suppliers and other beneficiaries who would be willing to keep the industries alive by taking lower wages and salaries and reduced costs of input supplies. If such cuts are substantial, then employee ownership of the losing industries may be a possibility in the future. But there will have to be deeper cuts than what have been indicated so far. The government can also use the threat of privatisation or outright closures of these SOEs as disciplinary tools to bring the workers, managers and the input suppliers in line for drastic cost cutting which is badly needed for their survival, if at all.