

Rural Focus

The ECNEC has approved nine projects targetted at rural development. These would combinedly cost Taka 2005 crore. It is gratifying that big a sum of money is going to the villages. But how can we be sure all of this money would be going to the people in the villages? Evidently much of these funds will be spent on works like building roads, bridges and culverts. The labour component of these projects would probably be supplied locally by employing unskilled village musculature involving barely subsistence wages. The experts, designers and specialists, contractors and their supervision cadre and suppliers of *materiel* will all be townspeople and would eat up the lion's share of the funds.

Twenty billion Taka is a big sum by any measure. Fantastic results can be obtained from such an investment if it is all infused in the rural economy, helping capital formation there, boosting standard of living and as such efficiency of labour, and the enhanced purchasing power of the greatest number pushing up national production and trading radically. Perhaps the travel back of the money to the town can't all be helped. But it can be pointed very reasonably that the money's worth in the shape of new roads and bridges etc and refurbished *haats* and bazars would all be staying back in the villages adding a lot of sinews to rural trading and consequently offering ample market to rural products and products.

True enough. But we must sigh again longing for the day when much of such money could be retained in the villages, first, say by employing all the supervisory staff and other technical manpower from the villages and using local material whenever possible. But the biggest way to infuse in the rural economy hefty wads of money is to move all agroindustrial enterprises to the villages and investing in the productions of the villages.

The nine hope-giving projects are, however, land-bound and water-blind. Most of these are there to jump water and none to use and aid water. And water courses and reservoirs are very basic to the economy of the villages — a mainstay for making conglomerates of rural enterprise spread over districts and may be divisions.

Industrial Financing

The chiefs of foreign banks operating in Dhaka have reportedly responded positively to finance minister Shah AMS Kibria's request for channeling their money into our stagnant industrial sector. In terms of the understanding reached, they are willing to provide loan to the tune of 50 per cent of the project costs. The remainder 50 per cent will come from a fund to be mobilised by the Government of Bangladesh and the Bangladesh Bank. Since the fund being created by us is envisaged to be of the order of Tk 200 crore, the totality of industrial financing visualised, inclusive of foreign bank contributions, works out to Tk 400 crore.

We wholeheartedly thank the heads of foreign banks for standing by us at a time when a liquidity shortage in our own banks thwarted industrial lending to the private sector. Their willingness to participate in the arena of development banking is a healthy sign of the trust they are reposing in our market economy.

But the start-up fund of Tk 400 crore falls short of our requirement considering the two some need for stimulating some of the existing industries with a balancing and modernisation package, let alone implementing new projects in the manufacturing sector. That is why perceptibly a move has already got underway with the World Bank and the Asian Development Bank being approached for their assistance in providing us with long-term industrial credit. Specific negotiations for funds are also on with the International Finance Corporation (IFC) and the ADB in pursuit of a decision taken earlier to set up a separate company to manage a large fund for industrial financing.

These are splendid ideas, but largely deemed to be of the salvaging variety in a rather desperate situation. The emphasis better be on systemic reform. While, therefore, we urge the government to ensure that the proposed fund-management company be thoroughly professional when it comes into existence, the unfinished agenda on financial sector reform must be completed by this government at the soonest.

Some Zoo!

Zoo authorities have reportedly decided to sell off some of the animals due to space constraint. What a quirky turn of commercial innovation! Why put the monkeys and deer on sale? If the zoo authorities can't ensure a proper and adequate habitat for them who will? There can be wealthy animalphilous around but then they certainly cannot provide the atmosphere of a zoo. It is a fundamentally flawed decision which questions the sense of priority of the authorities.

If the zoo administration is really so very short of space, it should send the excess and unaccommodable animals to a place where they really belong — the jungles.

Actually none of this would have been required in the first place if the authorities had any vision at all. Overpopulation is something they should have visualised beforehand. Why did not they think of establishing the conservancy on a wider area?

Then what about the attitude regarding the upkeep of the zoo population? What we have at Mirpur is a travesty of a zoo. Its authorities are probably the worst specimens of cruelty and indifference.

Zoo is a storehouse of bio-diversity that should not only relax our minds but also provide education. Neither there is the right attitude among those who visit the zoo nor there is any drive among the zoo authorities to embrace the modern concept of a zoo. People here visit the zoo for seeing the bizarre and grotesque representatives of the animal world in the menagerie and the authorities have not done anything to change that mentality.

Who ever heard of animals being poisoned in a zoo? The tigress with a miscarriage is a pathetic legacy of that heinous crime perpetrated apparently in connivance with some members of the zoo authorities. Then there was the dolphin that died only the other day.

In the whole span of its existence there has not been any systematic, sustained attempt to make the 'living' of the population here worthy and wholesome and bring out the importance of a harmonious symbiosis between man and animal as the vital aspect of a vast nature.

Can it be a Blessing in Disguise for Bangladesh?

by Munim Kumar Barai

From the events in the Southeast Asian financial markets, Bangladesh may have one or two lessons to learn and much to benefit in the real terms provided we are successful enough to project our suitability at this moment to many producers who are very eager to ship or shift their plants for relocation.

THERE may be a debate between Paul Krugman, the famed professor of economics at the Massachusetts Institute of Technology (MIT) and Jeffrey D Sachs, Director of the Harvard Institute for International Development, regarding the issues of economic achievement of East and Southeast Asia and whether to consider the progress as miracle or not and whether the recent currency jitters are a signal of the future trend of economic development or just a temporary setback, but the fact is that the currencies of South Asian countries are passing through a turmoil. And in the currency crisis there might be the dirty hands of many speculators, (George Soros undoubtedly has the prominent two), but there are short-term currency mismanagement as well. The region also played with fire by encouraging large inflows of short-term capital from abroad. The other name of this capital is portfolio investment or good weather money. If we try to look for parallels to the happenings of currency markets in Southeast Asia we don't have to go long past. In December 1994, a turmoil of the same nature occurred in the Mexican financial market and it shook the whole of Latin American currencies and stock markets. This time in East Asia, it started in Thailand and soon engulfed the whole Southeast Asian financial markets. So the countries which have been enjoying an economic boom for quite a long period are now experiencing currency crisis, stock market drops, budget cuts and economic handwringing. Thailand's maladies have proved to be contagious. Though it is not a matter to rejoice, but the turmoil in the currency markets in East Asia may be a blessing in disguise to Bangladesh.

Thailand's Woes

Once touted as the Southeast Asia's fastest growing economy, Thailand was apparently doing well till the beginning of the year 1997. But the signs were there that it was heading for an

economic trouble. Overburdened with the currency problem, on 2 July Thailand initiated a "managed floatation" of the baht, its national currency, to allow it to sink 15 per cent to around 30 baht a dollar. But within three months, Thai baht is now trading around 35 baht per dollar, a 20 per cent further depreciation since then. Inflation below 5 per cent before floatation time is rising and may climb to an annualized rate of 10 per cent or higher. Its share market crashed, property price fell and lay off, downsizing and even closing off of production plants have become frequent. Compounded by zero export growth last year and sluggish performance so far this year, the economy is heading for an overall slowdown.

Most analysts agree that the genesis of the current crisis lay in the way the country opened its door for the foreign capital. Thailand liberalized its financial system by allowing domestic investors access to the cheap offshore funds through the Bangkok International Banking Facility, launched in 1992. But it made the mistake of keeping the baht pegged to the US dollar for too long. With no concern about the currency devaluation, Thais borrowed freely and imprudently, without hedging.

That laid the platform for the setback that is wrecking its financial market. After all, mixing of liberalization with illiberal exchange control is dangerous. The dollar flowed in at interest rates way below those offered by the domestic banks. Offshore loan grew from \$20 billion in 1992 to \$75 billion at the end of 1995. For nearly a decade, Thailand lived lavishly on borrowed money.

For long the Thai baht remained pegged to the US dollar

and nobody could perceive a stronger dollar even in 1995. Actually pegging the baht to a cheap greenback was an easy way of ensuring that the Thai exports stayed competitive. So in 1996 when the yen depreciated against the dollar, Thai exports lost the edge against the yuan and the yen denominated exports. Alarming statistics of bank credit (more than 100 per cent of the GDP), current account deficit (8 per cent of the GDP in 1996) were available. The new Thai government of Chavalit faced with the choice of devaluing the currency or deflating the economy, chose the latter course. But a depletion of the foreign exchange reserve betrayed the management on both fronts — the baht slid, economy slowed down and the effects spilled over the neighbouring countries.

East Asian Markets

What began as a minor crisis after Thailand devalued its currency in July turned out to be full blown financial market crisis in the neighbouring markets, particularly in Malaysia. The knee-jerk reaction of Dr Mahathir's government actually helped to worsen the situation. Malaysia, arguably the strongest among the latest generation of Asian tigers, today faces radically altered economic landscape and its toughest challenge since mid-1980s. The cost of foreign borrowing which supported Malaysia's efforts of industrialization and infrastructure development has shot up due to the dearer dollar against its own currency — ringgit. Since July, the ringgit has lost more than 15 per cent of its value, and the Kuala Lumpur Stock Exchange has lost more than 450 billion in capitalization. The Indonesian rupiah and

the Philippine peso are the other two regional currencies that have been hard hit by the ongoing turmoil in the financial markets in Southeast Asia. By last week of September, the price of rupiah was at a record low and was trading around 3125 rupiah per dollar, nearly a 25 per cent fall. As share market is influenced by the currency of a particular country, the stock exchange of Indonesia is following the ups and downs of the rupiah.

By July to September, the peso has lost about 25 per cent of its value. As the authorities tried to support the plummeting currency, interest rate has surged, the prime lending rate has hit 30 per cent, up from just 15 per cent when the year started.

The chain of negative effects of the turmoil in the Southeast Asian markets has already started showing the inevitable. All four countries have lowered their forecast of growth — Malaysia from 8 per cent to 7 per cent (which actually could be much lower), Thailand as low as 2.5 per cent from 7 per cent, Indonesia from 7.2 per cent to 6.5 per cent and so on. By this time interest rates have gone up, inflation is expected to do so in all the countries. Corporate earnings are expected to be much lower in this year. This will automatically discourage the foreign portfolio and direct investment at least for the time being. The governments are suspending and in many cases abandoning infrastructure projects, tightening the purses of banks. Discouraging of the imports is the logical corollary of the trend. So the decline in share prices and currencies may have a heavy toll on economic growth and development for a much longer period than it was initially thought of.

Bangladesh may Benefit

From the events in the Southeast Asian financial markets, Bangladesh may have one or two lessons to learn and much to benefit in the real terms provided we are successful enough to project our suitability at this moment to many producers who are very eager to ship or shift their plants for relocation. The financial turmoil has exposed one point — the newly industrializing countries really lack adequate higher educated, technically skilled manpower which they require as a continuing process of industrializing needs. A comparative figure of universities in Malaysia and Taiwan could shed light on the gravity of the situation in this regard. Tiny Taiwan has at present 56 universities compared to only 8 in Malaysia, though population wise the two countries are closer to each other.

Moreover, the labour cost of these countries has skyrocketed and the labour-intensive, export-oriented business that made the region the world's pre-eminent performer during the past decade has lost the competitive edge due to the increase in costs. High savings rate, hard work, successful government initiatives, successful show of growth have also influenced the investors' imagination and they poured their money in these economies from overseas. Now in the newer context a host of industries like textiles, garments, toys, electronics, light industrial products and other labour-intensive industries may look for new houses on the new bases where work force is available, location is strategic and labour does not cost high. The financial jolt in the Southeast Asian markets is expected to have a debarring effect on the

psychology of the foreign investors to invest in these industries. Even the local producers of this zone might opt for alternative bases for the same reasons. Of course, China will be the biggest lure to them because of the low labour cost and the physical nearness it has. A huge internal market, a big pool of trained manpower would also be China's advantages. Bangladesh, as a gateway to the market of South Asia can become an attractive destination for these disgruntled industries. Our export processing zones, cheap labour force, nearness to many markets can add weight in the race for the industries to come here. The turmoil is likely to foster the process.

Conclusion

It would not be correct to say that we did not get any chance to better our economic position in the past. But we could not utilise those opportunities because of many factors including the economic and policy instability largely due to the culture of political intolerance the country is experiencing for quite sometime. It is now well recognised that this is the single biggest obstacle to our march to economic betterment and the mainstream political parties should have to play more constructive role in this regard. If they don't come out with some concrete ideas and ways to tackle the problem and show restraint then we may not be led anywhere to progress in the near future. Through their activities they have also to take initiatives to reinforce their commitment to build a peaceful and prosperous Bangladesh. Overall, as a country, we have to improve our image and take urgent step to woo the prospective investors so that we do not miss the latest opportunity that has been arisen out of the economic debacle in the economies of Southeast Asian countries.

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Nations Stand Divided on Landmine Issue

by ASM Nurunnabi

Stirring worldwide criticism, US President Bill Clinton rejected the proposed ban on landmines on the ground that the accord would jeopardise "the safety and security of US men in uniform."

A landmine is an encased explosive charge that is buried just below the surface of the ground. It may be fired by the weight of vehicles or troops on it or the passage of time or by remote control. Though improved landmines in the form of buried artillery were used in World War I, particularly by the Germans against French and British tanks, the landmines only became important in World War II. Easily manufactured and transported, the weapon in a variety of types was sown in extensive fields in Russia, North Africa and on the Western Front. Landmines are typically used to disrupt or prevent the mass attack of tanks and/or infantry.

There are two basic types: anti-tank mines designed to destroy or damage vehicles, especially tanks; and lighter anti-personnel mines. Anti-personnel mines, which can kill or wound soldiers upon exploding into many small fragments, usually contain less than one pound of explosive and can be detonated by a footstep on them. Landmines have been widely used since World War II, with increasing ingenuity going into both their design and their detection. Metal detectors are used in finding buried landmines but are ineffective against mines encased in plastic or ceramic material.

In an international conference held in Oslo, capital of Norway, on the 17th September last, and attended by represen-

tatives of more than one hundred countries, a draft treaty of banning landmines was approved by 89 nations. The text of the treaty calls for a total ban on production, export and use of anti-personnel mines. The supporters of the draft treaty hope that the actual treaty will be signed in Ottawa in December next.

Landmines kill or maim more than 45,000 people every year. Stirring worldwide criticism, US President Bill Clinton rejected the proposed ban on landmines on the ground that the accord would jeopardise "the safety and security of US men in uniform." Bristling at suggestions that the United States stood in the way of a global ban, the president said: "No one should expect our people to expose our armed forces to unacceptable risks."

Without US support it will be difficult to incorporate other key countries — such as Russia, China, and India — that were not part of the treaty process. US Senate Foreign Relations Chairman Jesse Helms wrote to President Clinton to say he wholeheartedly concurred with the President's decision. Clinton, however, tried to the last by contacting the allies in a failed bid to include a nine-year delay in implementing the agreement, with exemptions for

certain landmines and the right for any nation under attack to withdraw from the pact.

In US view, a total ban would leave 37,000 US troops in South Korea vulnerable to a possible attack from the North. Explosives that are deployed with anti-tank mines which are banned under the accord are considered by the US as critical to prevent tampering with such mines as a measure of protection against an armoured assault. On the other hand, conventional landmines would slow down a massive advance of troops for defensive purposes of required. Japan, Poland and Australia supported all or parts of the US view during the negotiations in connection with the accord, according to the International Campaign to Ban Landmines.

It was later reported that Tokyo might sign the global treaty to ban landmines. The Japanese Foreign Minister said: "It would be contradictory for Japan on one hand to contribute to the removal of landmines in Cambodia and not accept the treaty on the other hand." South Korea said it would not join global ban on anti-personnel landmines because they would provide a crucial shield against military threats from communist Korea. "We maintain that we need

anti-personnel landmines until threats from North Korea disappear or a new alternative weapon is developed," said South Korea's Foreign Minister.

In this context, it may be mentioned that late Princess Diana played a notable role in conducting a wide-ranging campaign to generate public opinion for banning the use landmines. Until her death, at great risks, she travelled to many places including Bosnia and Angola with this objective. Even a few days before her death, she went out to visit some people who were victims of landmine explosions. The British government welcomed the approval of the draft treaty banning landmines and said that it was partly the fruit of the efforts of late Princess Diana.

Recently, a report was published in a British newspaper *News of the World*; which gave some details of two business magnates who deal in sales of any quantity of landmines made in any country for delivery to any part of the world after proper verification of the customer's background, bonafides of the proposed deals and firm commitments about payments. The delivery routes and such consignments are kept secret by the dealers concerned who reportedly use various

subterfuges including heavy amounts of bribe money.

According to one report, there are an estimated 100 million to 300 million anti-person-

nel mines deployed in about 60 countries. Scores of people are killed or maimed each year in former or current war zones through explosions of landmines. Particularly in Cambodia in recent times, the casualties from landmines have been enormous through protracted periods of military and civil disturbances.

OPINION

Will the Land Mines Stay?

Dr M Zakir Husain

It is rather disappointing note the lone yet loud dissenting voice at the Conference in Oslo to consider a world-wide ban on the use of land mines. To the humanistic sentiments, it is baffling to hear that the land mines should stay in the "supreme" self-proclaimed national interest of few whose people are not being affected. This is yet another of several other issues on which broad international will is hostage to perception of national interest of some. It is the same story with the total prohibition of nuclear weapons that have been hanging as a threat like the sword of Damocles. If national interest of the rich and the powerful is to cancel the international interest of the humanity, where will the global consensus reign and when?

It is a sad commentary on the state of human civilisation when the self-appointed custodians of international moral order studiously flout strong global consensus on issues that affect the rest of the humanity. In the emerging world order, there is no let-up in the lecturing by few to many on democratic practice, human rights, and free trade and travel. Yet when it comes to perception of national (read selfish) interest of the world leaders, democratic values have to be shelved conveniently and the rights and will of the majority have to be sacrificed or postponed. Is it not the proclamation of an essentially international moral disorder that puts the weak and the silent into disadvantage? Are we left to conclude

and accept the fact that we are, in spite of our noble pronouncement to the contrary, still woefully trapped in a state of medieval self-aggrandisement and outdated imperialistic ideas in our international conduct? This is perhaps too harsh a comment yet evidently can be substantiated in principle.

So at the end of the Conference in Oslo, the land mines can continue to threaten the life and limbs of many to preserve the geo-political strength of some. In a similar vein, the free trade must be enforced with punitive measures even if it may go against the national interest of many countries who should be obliged to continue to invest their human capital to produce goods for the rich countries at a cost which is far less than what it would cost the rich countries to produce for their own consumption. And these economically strapped and indebted countries are obliged to buy the product of the rich countries at a cost which supports the high living standards and wages of these countries.

Indeed, the international community as a whole has to revisit the current world order and must strive to establish a fairer, freer, and forward-looking new world order that is genuinely new and truly of a world perspective. Anything short of that is, in fact, a makeshift "order" that is neither new nor international — a dimension that covers all the constituents and not selectively the few that wield greater power and wealth.

Who is What?

Nur Hossain

People: We are the people. We are the voters. We are the source of power. We blossom at election time. We are pollen to help blossom the Parliament. We are found in the sound of beating drums of democracy and development. Sometimes, we call a killing as need of the time and, again, we the same people call the said killing to be a crime. Position: We are the most fairly elected government. We are of Bangla. Bangla is of ours. We are pro-democratic. The major opposition party in the Parliament who are said to be the second government in the country does not want political stability and development of the country. Opposition: Once we were the most democratically elected government. The then main opposition in the Parliament made a conspiratory gamble with the people to win the election on 12.6.97. The present government is a liar one. They should

apologise again to the people for the failure to fulfil their election pledge.

Employer: Our 'X' Bhai as lovingly we call him once was our co-worker. Now he is one of the members of management personnel (he had the right to be). In his view, we the employees — mainly the big chair holders — are the devils of all evils, and bring perils to the organisation not being able to properly guide the management.

Employee: I am an employee. Honesty, yes honesty is my best policy. I have a CD set and a mobile telephone set which have been gifted to me by one of our clients as a token of good notion I maintain regarding them. I have a plot of land in Dhaka and a few lacs of taka invested in some other company from where I get a monthly interest regularly. Can the ghost, if not angels, meanwhile identify me?

To the Editor...

Removal of the bridge

Sir, The removal of the floating bridge at Chandrima Uddayan in the dark of night has proved to be an act of cowardice. The necessity of removing the bridge is stated by the authority concerned is so far clear. If the intention would have been clear then the need of removing in night time is questionable. This reflects government's weakness in taking steps. A government with little confidence can possibly yield only feeble output.

Motius Samad Choudhury  
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The world village

Sir, How can we see the whole world if there is no way to travel it? But knowledge knows no bound. To achieve the knowledge about the world geographically, historically, traditionally, religiously, socio-culturally and finally at present scientifically, we can visit confidently, the world village. The world village is a tiny model of the whole world, which is a rectangular plain land area of three to four square miles. The identical feature of each country with its own entity are specially shown in this model of the world as a whole. Rivers, lakes, hills, valleys, forests, seas, islands, etc. are also created in this world village.

Imagine that you have come to visit the world village. If you enter through the eastern door, at first you will come across the islands of the Pacific region, then a model of the famous Great Wall of China will come into sight. If you look to the right, you will catch sight of the famous volcano Fujiama of Japan. If you move a little for-

ward you will see the large model of the Himalayas, the Tajmahal of Agra in India, etc. It will be a great educational institution for not only younger generation but also for the people deprived of practically visiting the world as a whole.

M Anwer Sadat  
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A fair judgement on Diana

Sir, Whilst I agree to the fullest with what Sultana Nahar had written about the Royal family overall (which appeared in the Readers' column of an English daily on September 28, 1997), I certainly disagree with some of the remarks made about Diana in the final paragraph. Perhaps the writer has not heard the name of Mrs Camilla Parker Bowles, HRH the Prince of Wales's mistress whose intimate friendship continued even after his marriage to Diana. It is totally unfair or is it perhaps written in the Royal Constitution that royal females should keep mum about their spouses' infidelity. Which woman in her right sense who loved and adored her spouse so much would allow another woman to come in between?

I agree what Diana did (after the separation and divorce) was wrong, but then she was a woman and affection from no other than her own husband which was denied to her from the time they got married. For certain, HRH the Prince of Wales did not lack in that as Parker Bowles was always there at his beck and call. Diana started wandering, searching for love, and did whatever she had done all, after she discov-

ered her husband's unfaithfulness to her.

Had there been no Camilla Parker Bowles, Diana would have been till the today. I, for one would try to investigate first — "why, when and how it happened" (the failure of their marriage, in other words "she started the ball rolling first?"). In such cases, there shouldn't be any exceptions to the rules) instead of pointing a finger at anyone. That way, each and everyone gets a clear picture of what they are reading.

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Firing squad for terrorists

Sir, While all the main political parties, including the ruling Awami League look the other way whenever the question of combating terrorism arises, president of NAP Prof Muzaffar Ahmad's call for firing squad for terrorists (ref. your report on Sept 22) gives us some ray of hope that there are still some saner politicians in our country. I only hope that this was not just one of those political statements. It reminds me that if all the useless words uttered by our politicians in the last general election could be turned into food grains, then this country need not have to import these items for several years! However, I wish to put up one simple question to Prof Ahmad: Should the corrupt bureaucrats not also be put to firing squad for terrorising people in giving them bribes by holding up their files?

After all the difference between the two is that one demands money by holding a

gun/knife and the other by holding up a file! One is looked after by the state (for his hard work). The other (in most cases) is looked after by some godfathers belonging to some political party or the other (ref. DS report on Sept 21 issue on "Terrorism: Its Multiple Facets" — a dialogue organised by ABAC). I would also very much appreciate the readers' views on this subject.

A A Choudhury  
Banani, Dhaka

Appointment of Deputy Secretary

Sir, Our attention has been drawn by a circular of the Ministry of Establishment, higher appointment section, dt-15/09/97 on the above subject. We would like to point out the following facts for further consideration. a) The restriction imposed on 1981 batch is arbitrary. It should be open for persons who have completed Class-I service up to or more than 10 years. b) The circular should not impose any conditions including report on ACR without adverse report. c) The department concerned should forward names which it should consider fit for appointment. d) The appointment should be open for everybody under written test by the PSC. e) All higher promotions should be open for all cadres for a democratic government. f) The last but not the least point is to draw the kind attention of the Prime Minister for justice in this respect.

M Ali  
Dhaka