

Economic Diplomacy

Our diplomatic missions abroad have been given export targets to fulfil during this financial year. We do not know whether any target, notional or specific, has been set for the important missions to attract FDIs to the country.

There is absolutely no doubt that in a multipolar world of today economic dealings have acquired a new primacy and centrality to a point where political hang-ups and calculations — stuffs of which stereotypical diplomacy was made up — are considered secondary now to the conduct of international relations.

Speakers at a meeting in the Commerce Ministry on Wednesday that evaluated the performance of our economic ministers, counsellors or trade officials abroad apparently overlooked their own bags of follies, waxing rather indignant over others' failures.

Our economic or trade wings abroad need to give a better account of themselves through market analysis, forging links between our private sector and the private sector overseas and sorting out trade disputes. They should be able to regularly feed relevant information to the Internet and the appropriate desk at the Foreign Ministry in Dhaka.

In the ultimate analysis, the foreign missions' economic achievement will be an extension of domestic success in terms of actual implementation of the proposals for foreign investment. The proposed figures hardly ever hit the ground.

Food Deficit

Food and Agriculture Minister Matia Chowdhury provided the Parliament with a statistics the other day — a vital statistics for the poverty stricken, ill fed people of this part of the world: statistics of this year's food deficit. According to her, shortfall in food will be something between 25 and 27 lakh metric tons.

In order to tide over the hike in rice price the government has started the open market sales system in some areas. Soon the operation will cover all the thanas. It ought to be remembered, mere announcement or declaration will not address the problem the country is in.

A Land of Rapists?

There is no end to getting shocked over the incredibility of the ways women are tortured and violated in Bangladesh. Traditionally rapists and womanisers of all kind used to be held in such contempt as to make penal chastisement seem a reprieve.

On February 4, a girl creditor of a bank came to pay back her loan in full. A bank officer with the help of a woman municipal worker, offering to help her errand, raped her. And she is now in a precarious position undergoing treatment at DMCH.

More loathsome is the tale of a girl of 14 being raped by the father of her friend when she went to visit her friend. Stranger is the fact the culprit took the girl to his brother-in-law's to do the filthy thing.

Social norms are breaking down. Ours is not only a transition economy. The society itself is in a state of flux and transition. Inhibitory societal mechanisms have broken down wholly at a time — blue films and permissive satellite television and even the print media is driving home the lure.

The government is disappointingly ineffective in arresting the rot in spite of the best of women activists' clamour. There is, however, one optimistic sign that will take care of this whole thing. Women will be in far better command of the society than now in only a matter of a decade or two.

Indian Elections and the 'Sonia Factor'

In any election there is of course the flip side of the coin. Ramkrishna Advani, the BJP President, has likened Sonia Gandhi's public meetings with those of Pakistan's Imran Khan where people flocked, as he put it, 'to see and not to vote'.

THE entry of a bereaved and forlorn woman into active politics is not an unfamiliar happening in this part of the world. Sirmavo Bandaranayake and Chandrika Kumaratunga of Sri Lanka, Aung Suu-kyi of Myanmar, Benazir Bhutto of Pakistan, Sheikh Hasina and Khaleda Zia of Bangladesh and Indira Gandhi of India — the list is a fairly long and formidable one.

One has seen these tragic and at times remote figures commence their journey into the rough and tumble world of politics, at first hesitantly, then picking up momentum and finally stepping into centre stage. Sonia Gandhi has not been an exception to this. Only a few weeks earlier Sonia Gandhi addressed her first public meeting at Siriprembadur, near Chennai, where her husband was killed seven years ago.

Mohammad Yunus is an octogenarian, who has been a friend of the Nehru family, spanning four generations. Born in Peshawar, a relation of the 'Frontier Gandhi' Abdul Gaffar Khan, Mohammad Yunus was an ardent follower of Jawaharlal Nehru.



Frankly Speaking...

by Faruq Choudhury

In the Indian Government, I have had the privilege of knowing him well since the mid-sixties. Meeting him in Delhi the other day at his residence, I asked him about his views on Sonia Gandhi's participation in the election campaign for Congress. He said that he had not liked the idea at all in the beginning, but found that she had succeeded in infusing a new life into the Congress electioneering.

Sonia's increasingly bold and courageous campaign has stopped landslide desertions from her Party and has halted the erosion in the traditional Congress vote. The Congress Party has regained its self-confidence in a large measure. The party has fielded a number of new faces and by all account, Sonia Gandhi has had a major say in the nomination of Congress candidates.

Sonia Gandhi has also succeeded in stopping, for the time being at least, petty squabbles within the party and has thus lifted its morale. Campaigning at times with both her children, she has, many believe, ushered in the fifth generation of the Nehru dynasty into Indian politics.

However, in any elections what really matters is the end result, the number of seats that a party captures. All campaigning, speeches, manifestoes, life size cut out of leaders, billboards and graffiti, meetings and processions, become at once irrelevant when the votes are counted and electoral arithmetic comes into play.

The strength of the Indian Lok Sabha is 543 and the magic figure of absolute majority is 272. The BJP and its allies are likely to win a majority of the seats in some of the mega States like

Bihar (total 54 parliamentary seats), Gujarat (26), Karnataka (25), Madhya Pradesh (40), Maharashtra (48), Rajasthan and the UP (85). In the elections BJP's major ally is of course Shiv Sena of Maharashtra. The regional parties, many of them newly formed, that are supporting the BJP are the Samta dal of Bihar, Vikash Party of Haryana, Loksakti of Karnataka, Akali Dal of the Punjab, Biju Janata Dal of Orissa and ADMK of Tamil Nadu. It is thought that primarily due to the 'Sonia factor', a decisive majority (272 seats) may elude the BJP and its allies, although the BJP is likely to emerge as the single largest party.

The Congress, on the other hand, should find it easier to align itself with the United Front and Left Front parties, because of the commonly perceived BJP threat. Thus the Congress may be in a position of taking over the task of forming the government. In short, the situation in the next Lok Sabha may not be essentially very different from the outgoing one with the exception that the Congress is not likely to repeat its earlier unhappy experience of installing leaders of a smaller ally as Prime Minister and supporting him from behind.

The BJP's Prime Ministerial choice is known whereas Congress's is not. BJP has promised 'stability and ability' with Atal Behari Vajpayee as the Prime Minister. A consummate orator, Vajpayee's impassioned appeals to the voters to give the BJP a chance to govern has generated a great deal of interest. Initially Vajpayee seemed to represent the moderate face of the BJP with great and good effect. Then entered Sonia, stopping the Congress hemorrhage, and apparently reactivated the BJP to rethink its Poll strategy and to reposition itself vis a vis the Congress.

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On Rural Financial Intermediation

The experiences in the field of rural financial intermediation that have been witnessed over the last decade or so tend to drive home the conclusion that cost-effective approaches to provide financial services in rural areas could be found. Financial services could be extended to the poorest of the poor at lower costs than previously thought possible

OVER the last five decades or so, rural financial intermediations (and markets) constituted the pinnacle of policy agenda and government interventions. Generous doses of donors' resources helped continued flow of cheap credit to agricultural entrepreneurs.

Nevertheless, the search for and experiment with a sound rural financial market continue to dominate financial policy agenda and admittedly, no less than a healthy financial intermediation could foster rural development, accelerate growth and reduce poverty. The old pattern of using concessional interest rates, favouring agriculture and discrimination against other rural operations, ignoring and oppressing the creation of saving deposits and implementing costly or inefficient service delivery system came under heavy attacks on the pleas that these distort resource allocations, patronise the rich but pauperise the poor.

The important ingredients of a favourable policy environment for rural financial intermediation are maintaining macroeconomic stability, removing urban biased policies and promoting integrated and resilient financial markets. For example, macro economic instability, both directly and indirectly, affects rural financial markets through its effects on real interest rates.

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More light, please! Sir, To play cricket in flood-lit Dhaka Stadium, the cricket ball should be of the size of a football, because the lighting illumination level is designed for a football game, not cricket.

Beneath the Surface

by Abdul Bayes



But sordidly, the "compensation" mechanism hardly worked. Available evidence found that "from 1960 to 1984, income transfers through all input subsidies averaged only two per cent of agricultural GDP for a sample of 18 countries whereas the indirect interventions resulted in a negative transfer of 15 per cent of agricultural GDP. Policy distortions affect entire agricultural sector but compensation is usually captured by only a few farmers.

Three Asian rural financial institutions (RFIs) are judged successful by the two primary performance criteria of outreach and self-sustainability. They are: Bank for Agriculture and Agricultural Cooperative (BAAC) in Thailand, the "village bank" of Indonesia and the Grameen Bank (GB) in Bangladesh. All these three RFIs stole world attention in reaching the poor and making them bankable.

The most pertinent premise upon which GB, BAAC and "village bank" banked their journey to the poor is the understanding that poor people do save. Presence of "high" loan interest rates of around 20 per cent do not appear that high in the face of more formidable counterparts, village money lenders and mahajans who generally charge even 200 per cent or so on occasion.

The experiences in the field of rural financial intermediation that have been witnessed over the last decade or so tend to drive home the conclusion that cost-effective approaches to provide financial services in rural areas could be found. Financial services could be extended to the poorest of the poor at lower costs than previously thought possible and even on occasions without doses of subsidies.

From a paper "Recent Development in Rural Finance" (by J Yaron and M Benjamin) presented in XXIII IAAE Conference 1997.

To the Editor...

The authority may reveal the plans in hand to negate cricket in dim light in multi-purpose stadiums. The minimum number of sites is two, if not three, located in at least two cities.

sex scandal the effects of which would be far-reaching in the history of America.

In America laxity of sex among the people is common phenomenon. Being lax in sex does not affect conduct in real life. But lying is a great offence in the eyes of the law. For this reason if President Clinton would have lied to the Congress at the time of oath-taking, his alleged sex-scandal would be considered as a breach of trust between the President and the people of America.

Abul Ashraf Noor Uttara, Dhaka.

There is Us, and There is Them...

Coming Home ...

Almas Zakiuddin



IT'S not easy being a begum, that's the upshot of my argument. Okay, First things first. So what or who is a begum. While any woman can be called a begum, (and more moot, can aspire to be a begum), the term is normally used to denote status.

First of all, you have got to be careful. You can't have any old domestic inside your home. Be careful! she declares. My gracious begum then proceeds to quietly, firmly and yet most alarmingly warn me about 'them' — this group of people who inhabit the same space as her and the rest of humanity, but who are clearly not the same as 'us'.

And she is right. I really have no idea what I am talking about. The last time I ran a home full of domestic servants, life was very different. Times have changed, alas. They don't make them like they used to, sighs an older begum, a relative, who has lived in this city forever. She recalls a time when domestic servants were intelligent, loyal, honest, reliable, innovative, obedient, affectionate, celibate (at least on your premises), and totally altruistic in motive. Never would a domestic servant worth their salt dream of asking for a raise, or even heaven forbid, negotiating the terms and conditions of their employment.

They took whatever you gave them gratefully, with a smile on their faces, she reminisces. And because they were loyal and faithful, one was generous — one took care of them. Well, I am quite prepared to be generous and take care of my brood, on the assumption that I find one, that is. So tell me, how much does one pay a full-time bua, I want to know. And a full-time cook, male or female. A part-time cleaner?

Quite right. No one has everything. Certainly not this woman you've got. Oh no. Don't talk about her, she has everything. I've done everything for her. Taught her to cook, clean, everything. And yet, she gives me trouble, you have no idea how much trouble they can give! the smart young begum declares.

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this modern world. Not until I learn to reject the ways of my undoubtedly generous ancestors, (a fat lot of good it did them, she snorts) as well as the half-baked ways of these westerners among whom I have (evidently) lived and from whom I have (evidently) picked up ridiculous, irritating notions of breaking down class barriers and so on.

Class, smarrsh. You're crazy! she exclaims. I am silent. Confused and disturbed, I am on my way to my new apartment, when I hear the din. I turn into the hallway outside my front door, and I see them: a petite woman, with two teenagers, both boys, pounding the front door to what appears to be their own apartment!

Open the door!!! NOW!!! the woman shrieks. She hangs a hefty left hook on the door (for a small woman, she packs a mean punch, believe me). The sound echoes down the stairwell.

What on earth is going on, I ask. They stop and look at me. Those wretched women, my maids. They've locked us out. They fight all the time, can't hear us! the woman exclaims. Her boys look anxious. It's the young one, the young maid — she's the one! the woman adds, warming to her theme, and nodding at the boys, who nod back, anxiously, in her direction. 'She's terrible, terrible. Always wants to play, that's her problem,' the woman shakes her head in dismay. The boys shake their heads. (Imagine. A young girl who wants to play.) 'A real troublemaker, that rat!' the petite woman concludes, before turning towards her front door like Attila the Hun at the gates of Rome. The