

Blow Hot, Act Cold?

Now comes another last word on bank loan default. Desperate and sizzling hot, but served on cold feet of clay. Finance Minister SAMS Kibria has warned borrowers that they won't get fresh loans unless they repay their arrears. Legitimate measure but the taste will be in the pudding.

Need we remind ourselves that this subject had already been rubbed to a point of irritability. Any new resolve needs to be matched with action to save the banking sector from ruination. The issue has produced, in a manner of speaking, perhaps as much verbiage to date as the voluminous UN paper denotes.

The definitional quarrels over who is a willful defaulter and who is not sound like a hogwash to us. We know them like the thumb of our hand — thanks to government listings, media investigations unravelling dirty linens and tell-tale one-leave-forward-and-two-leaps backward loan recovery exercise of the government. Yes, most of these loans were contracted during the times of previous governments but when the present government has taken the role to get these repaid it would obviously be liable for what it does with it. Willful defaulters, among other things, are evidently those who had overvalued their assets to walk away with huge loans on a nominal repayment, kept rescheduling their loans using personal connection or political influence to skirt on-time repayment of the principal amount along with interests. President Shabuddin has rightly called them "influential defaulters" who have brought the whole banking system on the verge of a collapse. These major defaulters account for more than one-third of the total loan disbursed since the eighties. Symbolically, they are even worse wreckers of the banking system in the longer term because they remain as reference-points for the future loanees.

The finance ministry at times put pressure on the Bangladesh Bank to make exceptions about some defaulters thereby virtually placing a spanner on the wheel of its own recovery action. We are watching how efficiently and ethically the banking system is run after every new word of professional fairplay and accountability is uttered by the government.

Let's see the finance minister live up to his words this time around.

In Despair We Recall

Mr. Hanif you have a year, please give us something to cheer about. Indeed, that is perhaps the only decent reaction the beleaguered inhabitants of Dhaka can conjure on completion of their city father's fourth year in the office. It has been such an uninterrupted spell of ineptitude and coordination disarray that apart from a freeze on holding taxes there is hardly any fond memory the Dhaka city dwellers can associate with it. No wonder he tried, much to the addition of widespread annoyance and frustration, to hide his monumental failure behind a heap of apologies and confused soul-searching.

It was not merely a failure of delivering goods on a professional plane. There was a certain conceptual starvation about most things Mr. Hanif did or promised to do. His mosquito eradication programme is a glaring example. Having started with a pledge betraying utter ignorance about his logistical and financial capabilities to take steps that would rid Dhaka of the tyranny of these blood sucking tiny devils, Mr. Hanif chose the fag-end of his term to inform the people that it was a mistake — Dhaka in its dirtiness and civic insensitivity being too friendly for the breeding of mosquitoes to stop.

Not that this flair for indiscreet optimism was offset by any touch of vision in other areas of urban consciousness. Unable to get things going because of his much-harped financial constraint Mr. Hanif went on a hard drive to boost the depleting Corporation fund. The result was indiscriminate renting of hoarding spaces. Thanks to his revenue collection zeal, the city streets are filled by sickening hoarding of all sizes. Parks and green spots were sacrificed for market and shopping complexes.

And every time a complaint was aired Mr. Hanif almost invariably fell back on his idea of a metropolitan government as if all problems would be taken care of once that is in place. We would like to ask him one question: agreed that metropolitan government would have taken care of co-ordination problems but what would have cured directional and visionary lacking? Perhaps Mr. Hanif would try to do justice to his last year in office by bearing in mind that a good manager is one who makes the most of what he has and does not waste time griping over something which is not in hand. Wake up Mr. Hanif. Do something in the last year for your own image at the very least.

Licensing Pre-caution

It is a good decision: making Department of Environment's permission mandatory for issuing trade licences. And we commend the authorities for taking this first vital step to fight environmental pollution. At a time when the squalid urban reality of Dhaka and the all-pervasive unconcern about its deteriorating environment tend to make one wonder if at all anybody is bothered about this city's future, it is indeed reassuring that authorities are focused on the huge task at their hand.

Having said that we would like to utter a word of caution. Due to lack of their enforcement, laws have a tendency of turning into great sources of corruption. We want the said decision to be operational immediately. But we would urge the authorities to be alive to its chance of being abused.

Pollution of air has increased so much in Dhaka that she now ranks among some of the worst-affected cities of the world. Thoughtless dumping of industrial wastes into the Buriganga especially by the tanneries has turned this vital duct of Dhaka's life into a conduit of poison. Not only the marine life of the river is facing destruction, but Dhaka's denizens are also exposed to hazards.

Now that the powers that be have decided to plug the legal loopholes we demand they make sure the whole process is put through a routine course of monitoring. After all taking decisions and then leaving them as nobody's business has been a chronic national problem.

Also the authorities need to push things little more quickly to show they are serious about. One can't help feeling the pace and dimension of environmental pollution are far too quick and varied, respectively, for the tardy government officials. Replace the excess of *hobey* (will be done) with little more of *hoechhey* (has been done).

Our Poverty 'Alleviation': Motorway to Nowhere

There is no dearth of resources needed to alleviate poverty; yet it is sad that little has been done in practical terms. We cannot however ignore the fact that we, including the rich, are in its sweep because poverty anywhere in our society is a threat to prosperity everywhere.

BAKGLADESH was born poor and today after twenty-seven years of our sovereign existence, poverty lashes at the vast multitude of our population with full fury. It is not that the people at the helm have, at any point of time, been oblivious of the problem. The leaders have rather been copious in their promises and pledges to deal with the menace at all cost.

The economists and experts burn their late-night candles to measure up its depth and dimensions with all earnestness. The issue has been brainstormed by researchers and scholars. The government and its planners as well as aid representatives must have been exasperated with the vastness of the scourge. The animated discussions are still taking place with the pundits delving into its complexities.

However, all efforts have so far been inconsequential. The only visible result is that Bangladeshi sinks deeper and deeper into an abyss with more and more people living under the poverty line and the end of the tunnel is nowhere in sight.

The poverty has however been an asset for some who intelligently cash on it. It comes handy for Third World leaders to devise a 'case' for inflated aid money of which mostly they and their cronies are beneficiaries. The chronic cases of poverty give enough bargaining chips to aid dispensers for imposing stringent conditionalities. It sustains, to the advantage of rich few, a patron-client relationship in domestic politics.

The poverty and related problems provide the academics splicing new topic to discuss and researchers theme to write their tritease. Scores of students have already obtained their degrees on poverty alleviation from the reputed seats

learning in the West. Thousands of NGOs are floated in the name of fighting poverty, illiteracy and disease. The officials at the IMF, World Bank and ADB play with the figures of poverty's arithmetic to prepare their baffling statistics. The subject affords our elite frequent get together in city's posh hotels to earn some limelight and intellectual gloss.

The public debate on national issue is few and far between in our country. But the theme of poverty alleviation enjoys currency and the workshop or round-tables on it are not infrequent. They are also largely attended curiously by the people least exposed to poverty and as a result their knowledge of it is, at the best, surreal. There is not even a semblance of poverty in the ambience in which the exercises on poverty alleviation take place; neither the poor whose miseries constitute the core of the problem participate in them.

It is as if to ensure undisturbed unravelling of fertile ideas of the pseudo-experts who are often called upon to focus on the topic. The views expressed are stale and stereotyped — repeated many a time earlier and the discourses are invariably reduced to platitudes. The recommendations are vast and varied ranging between utopia and mere phraseology. It is not surprising that ultimately they remain in their own place in well bound deluxe folder and poverty in its own.

Yet people come from variety of background and participate in such deliberations for variety of reasons. Politicians come because they get a projection. A patent group of intellectuals

seeking forum of any kind also come to sharpen their oratorial skill. The assorted scholars looking for docile audience come to put across their trenchant arguments. The aging elite find suitable rendezvous in such occasion where they exchange more of pleasantries than ideas. There also come people who held important positions and bungled things in the past mainly to defend themselves and their actions.

For the people at the apex of the society it is always an intellectual luxury to blast at social

time festival and at the most a disjointed effort. They hardly make a dent in our social outlook and generate a sense of urgency to tackle with the problem.

The biggest difficulty of our poverty alleviation exercises is perhaps that of credibility. Not only that most of the participants of these exercises are never known for their any serious concern for the mass poverty in the country they are also not prepared to pay price for the poverty alleviation if it means paring down their own

the hey days of left politics even the scions of the aristocracies were intoxicated by its heady brew. It was a newfound romance for the rich to be in love with poor and poverty. Believing the conventional wisdom young idealistic sons of the landlords often led the peasants' uprising. Surprisingly it was more than mere springtime flirtation and they almost always embraced not only poverty but also the trials and tribulations of revolutionary politics. That was a kind of commitment. Whether they achieved anything or not is however another story. Today we are trying to accomplish the Herculean task of poverty alleviation only with the lip-service. It is a mission impossible.

Poverty is a global phenomenon. While in a rich country it is a matter of relativity in its own social context, in a poor country like that of ours it is a pervasive reality. It is the syndrome of a social malaise indicated by the people's vulnerability to circumstances of hunger, illiteracy, disease, unemployment and degrading environment as well as lack of shelter and sanitation. The majority of our population has been caught with this syndrome and the situation is exacerbated by widespread economic disparity, unjust distribution of wealth, corruption, bad governance as well as stratification of society into groups, classes and vested interests.

It is however true that there is reversal of trends in some of the indicators of the national poverty ratio but with the rising population, the number of poor has increased in absolute term. When compared with the condition prevailing during the early

PERSPECTIVES

by Brig (Rtd) M Abdul Hafiz

evils saving of course their own skin from its devastating fire. To have a taste of poverty experiencing it physically is one thing and to glibly talk of it from a chilled comfortable seminar room is another. The approaches of the two are bound to be different.

Notwithstanding some positive fall out of the exercises in terms of the dissemination of an awareness, the great ideas generated during the deliberations are rarely carried to a point of fruition — let alone the question of their implementation on ground. Each time a round-table on poverty alleviation is held its salient buzz across the selected circles of the society for a couple of days before they die down like ripples in the vast sea of routines. Sadly they turn out to be a one-

perks and privileges and parting with their entrenched high position in the society. Whether they can do it for the sake of poverty alleviation is indeed the litmus test of their commitment to the cause. Do we have that tested commitment?

The problem is that most of us would welcome an end to poverty but shirk when it affects our interests, comforts and privileges. In our subconscious, we would then crave for a *status quo*. This is typical of mindset of those who are better off. We talk lofty ideas but retreat to our cocoon of self-preservation when the question comes of sharing either affluence or poverty with the deprived.

The romance for poverty and love for the poor is nothing new in our part of the world. During

China in a Bull Shop

'Go to China even to seek knowledge' so says a Hadith, to that end we should assiduously study the Chinese, to learn and emulate them wherever possible. We needed them geo-politically (and still do), we need them now geo-economically more!

NOTHING can really prepare you for the dramatic change in the Beijing skyline, symbolising the pulsating beat of China's sustained economic uplift for the last decade. To hear that growth has "dropped" to just above 8 per cent may seem like a sick joke to third world countries (and even the four Asian tigers) who would not be averse to standing on their heads to reach that figure. Seeing China for the first time after 1990, at the start of the present economic drive, the six-lane expressway that whisked you into the city from the airport in less than 20 minutes, the double lane road of yesterday running alongside — and also full of traffic, prepares you only partly for the Chinese miracle.

In the center of the city and as far as the eye can see in a 360 degree circle, there are high rises of not less than 20 stories going up, maybe a score and even more. There is a dynamism in the air that envelops you as soon as you are in the city. Where once there were thousands and thousands of bicycles among a few thousand vehicles, there are now thousands and thousands of vehicles although the bicycle has not been forgotten as a primary means of transport. Where vehicles used to comprise of standard-issue trucks, buses and a few cars, they now comprise Mercedes and Audi, Toyota and Volkswagen, Jeep Cherokee, etc and trucks and buses of various origins. Despite the two fast ring roads, elevated for most of the way, there were hints of possible traffic jams, an efficient system keeps the traffic going slowly.

For the last decade, China has been maintaining a growth rate of 10 per cent plus and it shows, in the brand new five-star hotels, new shopping centers, good telecommunications facilities, designer shops, excel-

lent public transportation system, etc. Yet China is a vast country and very much like in the Chinese hinterland, there are vast poverty patches in Beijing where development is still far away. In the new found affluence there are vast stretches of slums, yet one gets staggered by the statistic that 35 million Chinese can spend up to US\$ 20000 on consumer goods every year — and that figure is growing very rapidly, not steadily. One thing is clear there is a great method in the planning by Chinese leaders and while Beijing is still a developing city, the south-east coastal areas are far ahead.

In Beijing for the two-day China Business Summit of the World Economic Forum (WEF), one was privileged to attend also the one day meeting of the Global Growth Companies (GGC) held one day earlier. Most striking was the eloquent talk given by top Chinese leaders like the Vice-Premier Li Lanqing, Zhu Guangya, Vice Chairman of the People's Political Consultative Conference, Dai Xianglong the Governor of the People's Bank of China (the Central Bank), Zhu Min, Senior Advisor, People's Bank of China and others on various issues.

This was a special occasion because the new Government of Premier Zhu Rongji had just taken office after the election and deliberations of the National People's Congress and we had a chance to hear and observe at first hand the summaries of the past policies of the Chinese Government as well as their vision of the shape of the things to come as they enter the 21st century.

Despite having prepared texts almost all the leaders and

senior government functionaries spoke extempore without once referring to it, underscoring a confidence in their convictions and grasp of facts that by itself was extraordinary. No questions were evaded, they were all handled with wit, aplomb and ease. To me personally there is no doubt that China's miracle bull run is happening because China had (and has) magnificent leaders having the capacity to take tough but pragmatic decisions and then courage and will to

On the domestic side, the new government has launched a massive dismantling of the state bureaucracy and the state enterprises. This will put millions and millions of people in their middle ages out of work and communally out of the housing, transport, medical

foreign investment is very much in evidence, however it was quite apparent that while they were most welcome and were being given a number of incentives, unlike in Pakistan (and other third world countries) they dare not dictate policy to their hosts — stepping out of line of their status as "honoured guests". The foreign investors were certainly not happy with the situation, which they felt needed considerable improvement in many areas, yet most of the Multi-nationals (MNCs) represented at the Forum Meeting spoke about at least a US\$ 1 billion plus investment by the turn of the century to improve of their present investment averaging US\$ 500-600 million. More importantly their grumbling was in private and muted, they were clearly loath to give up this vast market.

The Pakistan Ambassador probably had a prior commitment because there was no official Pakistani participation in the Forum Meeting, almost every other country in the region was represented. It was depressing to hear a constant stream of Chinese leaders. They are not sitting idle either, they have a plan to re-educate and re-adjust millions in the private sector. The same practical application of common sense and logic brought about a soft landing for the booming economy, high growth rate and low inflation.

The employment plan is centered around more direct foreign investment but with an equal emphasis on domestic investment. The Chinese see their own markets as a tremendous opportunity for manufacturing and services, giving as much relevance on the domestic markets as to exports. Direct

implement them. No faint hearts here, no special interest groups at play to frustrate government policies!

For the present and the future, the challenges that face China still require deft handling. The way they approached the Asian crisis is a signature role model in sovereign maturity. Despite enormous pressures to devalue in the wake of the falling currencies, exports slowed as Chinese products became more expensive and growth rate dropped from 10.8 per cent to about 8.1 per cent. China kept shoring up the Hong Kong currency and keeping the RMB stable. The intervention has cost the Chinese dearly in foreign exchange reserves but kept their currency stable. This went a long way in stabilising the Asian countries hit really hard. South Korea, Thailand,

and other facilities that they took to be virtually sinecures being card-carrying members of the Communist Party. A solution for this potential massive unemployment occupies much of the concern and attention of Chinese leaders. They are not sitting idle either, they have a plan to re-educate and re-adjust millions in the private sector. The same practical application of common sense and logic brought about a soft landing for the booming economy, high growth rate and low inflation.

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