

'From Counting the Poor to Making the Poor Count' Inequality grows to retard anti-poverty efforts

Star Business Report



WB economist Shekhar Shah briefing newsmen while Country Director Pierre Landell-Mills looks on. — Star photo

The rising inequality is acting as a major dampener on poverty reduction, and it is estimated that 20 to 30 per cent of the potential poverty reduction from growth may have been lost because of rising inequality in the country.

This was revealed in a new World Bank poverty assessment 'Bangladesh: From Counting the Poor to Making the Poor Count'.

'The impact of rising inequality on poverty reduction has been especially strong in urban areas and weaker in rural areas,' said Shekhar Shah, the bank's principal economist and main author of the report. He was briefing newsmen at the WB office in Dhaka.

However, the higher inequality associated with growth in Bangladesh does not imply that growth should not be pursued, the report says. On the

contrary, faster growth is needed if poverty is to be reduced faster, because the net effect of growth on poverty reduction is positive.

'But in tradition, efforts to limit rising inequality are needed,' said Shah. 'Agricultural growth reduces poverty and has least impact on growing inequality. This is why agricultural and rural development are key to reducing inequality.'

Accelerating growth, promoting education, better targeting public expenditures to the poorest segments of the society, and effective partnerships with nongovernmental organisations in service delivery are key to making a stronger attack on poverty and reducing inequality.

The report is part of a broader collaborative effort between the World Bank and the

Bangladesh Bureau of Statistics and significant improvements in the methodology of poverty measurement had been done.

Following a period of stagnating poverty reduction in the 1980s, Bangladesh has made strong progress in its war against poverty. According to the report, the incidence of the very poor fell from 43 per cent of the population in 1991-92 to 36 per cent in 1995-96, the incidence of the poor declined from 59 to 53 per cent during the same period.

Although poverty has declined in both rural and urban areas, rural poverty is still higher than urban poverty. Reducing the poverty of the very poor living in rural areas — still 40 per cent of the rural population in 1995-96 — remains a massive challenge.

The report says faster growth is needed if poverty is to

be reduced faster, because the net effect of growth on poverty reduction is positive. But according to the report, growth alone is not sufficient to reduce poverty. The gains from education and other household and regional characteristics suggest other areas for policy emphasis.

Education and land ownership remain key determinants of living standards. Differences in poverty between geographical areas depend more on differences in area characteristics than on differences in the characteristics of the households living in those areas.

Statistics Division Secretary Walid Islam, also present at the press briefing, said growth should be dispersed over the population to break inequality. He said a seven per cent growth is needed to dent in poverty.

HONG KONG, May 14: India is starting to pay a heavy price in finance and influence for the nuclear tests that it has so defiantly defended, reports AFP.

President Bill Clinton yesterday signed papers to allow the United States to slap sanctions on India for its five nuclear blasts this week.

Japan has already suspended some aid and Prime Minister Ryutaro Hashimoto said further measures could be taken after the two latest explosions.

Sweden has also suspended a 120 million dollars aid agreement with New Delhi.

Even India's traditional Russian allies have scolded the Hindu-nationalist led government for ignoring world opinion.

India carried out three nuclear tests on Monday and two more on Wednesday which it said concluded the current series.

Indian shares lost four per cent of their value on the Bombay market on yesterday and Clinton was to announce the US sanctions later in the day in Berlin, where he is on a visit.

A 1994 US law requires that Washington freeze all but humanitarian aid to India because of the tests and oppose any loans from the International Monetary Fund (IMF) and World Bank.

US banks will not be allowed to grant loans to New Delhi.

The law provides for a delay of 30 days before being implemented, which means it would theoretically come into force on June 13.

Japan, the only country to be bombed with nuclear weapons, made it protest clear by suspending 3.5 billion yen (26 million dollars) in annual grant aid.

After the latest blasts, Prime Minister Ryutaro Hashimoto said Japan was considering a review of the one billion dollars worth of official development assistance loans it makes each year. Japan is India's largest aid donor.

Sweden has cancelled a three-year aid agreement with India, worth 900 million kronor (119 million dollars), the Swedish aid ministry said.

Prime Minister Boerjan Persson said it is 'remarkable that (India) has not understood all the international protests, that it is instead continuing down the road toward isolation.'

Russia is a longstanding ally, dating back to Soviet days.

But a Russian foreign ministry spokesman expressed 'deepest regret' at the second set of nuclear tests and said Moscow was watching the situation 'with concern and anxiety.'

Indian rupee falls to a record low

BOMBAY, May 14: The rupee fell today to a record low of 40.70 to the dollar in a panicky market after the United States and Japan announced sanctions following Indian nuclear tests, dealers said, reports AFP.

The rupee opened at 39.78 to the dollar, the previous close, but soon started falling, said Pradeep Sharma at foreign exchange and travel house Thomas Cook.

It touched 40.70 after some three hours of trading, a 2.3 per cent gain for the dollar over Wednesday's close.

Sharma said: 'There is panic buying of dollars. Banks, corporates are buying. There are major movements in the market today and there is a lot of volatility.'

Sharma said there was no intervention from the central reserve bank of India nor the state-run state Bank of India, which had kept the rupee steady the past two days by selling dollars.

'There is no intervention and the currency is going down,' Sharma said. 'Everything on the currency points to a downturn.'

He said the rupee was expected to close at 40.40 to the dollar.

The rupee had been holding steady to the dollar since Monday when India carried out three nuclear tests and later on Wednesday defied international opinion with two more detonations.

VACANCY ANNOUNCEMENTS

Strengthening Parliamentary Democracy (BGD/97/003)

The Bangladesh Parliament Secretariat, seeks applications from Bangladeshi nationals for the following positions:

A. Admin. Assistant/Accountant (1)

Duration : 60 working months

Station : Project Office, Sangshad Bhaban, Dhaka.

One Administrative Officer with accounting skills will work under the direction of the National Project Director, s/he will:

- offer secretarial support (typing, filling, corresponding, maintaining appointments) to the NPD and other project staff as required;
- provide project accounting services to the NPD; and
- any other project related duties as and when required.

Qualifications:

The incumbent should be a commerce graduate with a minimum of five years experience in administrative work in private company/government office. The incumbent will have initiative and be able to deal with a large portfolio of tasks. Accounting skills are essential, as is working proficiency in English and familiarity with word-processing/database software. Priority will be given to those having experience in UNDP accounting system.

B. Computer Operator/Secretary (2)

Duration : 60 working months each

Station : Project Office, Sangshad Bhaban, Dhaka.

Two Computer Operator/Secretaries will be stationed at the Project Office throughout the duration of the project to provide full-time support to the project staff. Her/his responsibilities will include:

- drafting, sending and filling correspondences for project staff, particularly the consultants,
- data processing and entry, and
- any other relevant duties as decided by the NPD and project staff.

Qualifications:

The incumbents will have a minimum Higher Secondary Certificate with prior experience of word-processing and database software e.g. (MS Word, FoxPro), and strong working proficiency in written English, as well as excellent written and spoken Bangla. S/he will also possess proven learning skills and ability to develop their capacity in a short space of time; prior experience in computer operating is essential.

C. Driver (4)

Duration : 60 working months each

Station : Project Office, Sangshad Bhaban, Dhaka.

Four drivers will be recruited and assigned full-time to drive project vehicle for duties related to project implementation within Dhaka and throughout Bangladesh. Her/his responsibilities will include:

- driving project vehicles,
- delivery and collection of mails and documents,
- maintain log book for - trips, daily mileage, gas consumption, etc.,
- day to day maintenance of the assigned vehicle, and
- any other relevant duties as decided by the NPD and project staff.

Qualifications :

The incumbent should have a Secondary School Certificate or equivalent and have a minimum of five years driving experience preferably in a government department, NGO or private organisation. Only candidates with full references and recommendations will be considered for the positions. Experience in driving abroad and/or good knowledge in spoken English would be considered as added qualification.

Remuneration would be decided in accordance with the set UN standard for such posts matching with qualification and experience.

Applications should be marked confidential and include a cover letter and two copies of the applicant's curriculum vitae. No copies of references, certificates or professional papers should be submitted at this time. Applications should be sent to the National Project Director, (Ref. : BGD/97/003-Strengthening Parliamentary Democracy Project), C/O Manager, Human Resources, UNDP, House No 60, Road #11 A, Dhanmondi Residential Area, Dhaka 1209 no later than 29 May 1998. Only short-listed candidates will be contacted.

Note: Any attempt to influence the process of selection will result in the immediate termination of the candidate's application.

WOMEN ARE PARTICULARLY ENCOURAGED TO APPLY

Remittance arrangement Pubali Bank, Taka Express of S'pore sign contract

A formal contract for drawing arrangement has been signed between Pubali Bank Ltd and Taka Express Pte Ltd of Singapore at a local hotel, a Pubali Bank press release said here yesterday, reports BSS.

Md Qamrul Huda, Managing Director of Pubali Bank and William Oh, Managing Director of Taka Express Pte Ltd signed on behalf of their respective companies.

Chairman of Pubali Bank Ltd BA Chowdhury was present.

Taka Express, a company licensed by the Monetary Authority of Singapore, will offer services for remittance of money of Bangladesh nationals residing and working in Singapore, through the network of Pubali Bank.

The remittance arrangement is approved by Bangladesh Bank. Pubali Bank with over 350 branches across the country will provide the remittance service through telecommunications facilities.

The remittance arrangement will facilitate safe and hindrance free remittance to Bangladesh and will go a long way in removing difficulties encountered by Bangladeshis sending money to the country.

Prime Bank elects new chairman

Engr Md Nurul Haque Sikder has been elected Chairman of the Board of Directors of Prime Bank Limited with effect from the 1st of next month, says a press release.

He is a sponsor director of the bank since its inception.

Similarly Quazi Sirazul Islam, Managing Director of Amin Jewellers Ltd and K M Khaled, Director of GETCO have been made Vice-chairmen with effect from the same date.

The election was held at a meeting of the Board of Directors of the bank in the city on Tuesday.

Four other committees were also constituted by the board.

Japanese envoy calls on textile minister

Japanese Ambassador to Bangladesh Yoshikazu Kaneko called on State Minister for Textiles AKM Jahangir Hossain at the latter's office yesterday, reports AFP.

They discussed matters of bilateral issues and mutual interest, especially the problems and prospects the textiles sector.

The Japanese Ambassador informed the State Minister that the government of Japan had agreed in principle to finance the National Institute to Textiles Training, Research and Design (NITTTRAD), an approved project under the Ministry of Textiles.

The state minister expressed the hope that as a development partner Japan would continue its support for the economic development of Bangladesh.

Pests eat up Tk 1800cr rice a year

The annual loss of rice yield due to pests comes to a staggering Tk 1800 crore although the country uses about 11,000 metric tons of pesticides a year, reports UNB.

According to a status report on pest management of Bangladesh, conservative estimates put the annual loss of rice yield due to pests at 10-15 per cent.

'This is equivalent to about Tk 1200-1800 crore per year,' the report said using 1991 as the base year.

In 1991, the annual rice production was about 19.5 million metric tons and the average price was Tk 6600 per ton.

The report, prepared by the Integrated Pest Management (IPM) Project, identified insect pests, diseases, rodents and other vertebrate pests as one of the major constraints in raising the country's agricultural production, although over the years it has increased substantially.

According to the report, about 83 pesticides with 211 trade names are being currently used in Bangladesh, but have very little impact on reducing production loss as these pesticides can give only a temporary

relief against pest attack.

Bangladesh is one of the developing countries where 85-90 per cent of pesticides used in the farms never reach the target organisms.

The report said: 'Many or-

ganisms in the environment like fish, earth worms, soil and water inhabiting organisms, honeybees, pet animals, birds are also affected seriously.'

Pesticide contamination af-

fects the whole chain of food as well,' it added.

Admitting that Bangladesh there is no data available on the effect of pesticide use, the report, however, said that mortality and illness due to pesticide poisoning are common in the country.

In Bangladesh, chemical control has been the primary method of pest control in the past. In 1965, Bangladesh used three metric tons of pesticides to control pests and diseases.

During early 1970s, the government gave pesticides free of cost to the farmers to control pests and diseases. In 1974, the subsidy was reduced to 50 per cent.

In 1979, the government withdrew the subsidy completely allowing the private sector importation of pesticide.

After the withdrawal of sub-

sidy, although the use of pesti-

cide declined in the early years, its use increased again during the later years reaching 11,000 metric tons in 1996, the price of which was more than Tk 100 crore, the status report said.

The principal branch of Social Investment Bank Limited arranged a get-together for the clients at the board room of the bank on Tuesday. Prof Dr M A Mannan, founder Chairman of SIBL, delivered the keynote speech at the gathering.

KARACHI, May 14: An or-

ganisation of Pakistani traders urged the government today to impose a special tax to buy nuclear bombs after India's nuclear tests, reports AFP.

The tax should be paid by the trading and business community to make the country's defences impregnable, said Umer Sailya, Chairman of the All Pakistan Organisation of Small Traders and Cottage Industry.

The Indian nuclear tests 'gravely threaten Pakistan's se-

curity and we must respond to the danger immediately,' he said.

'We are ready to pay revenue to the national exchequer to strengthen our defence but the government must ensure that the money should be spent on the making of missiles and nu-

clear bombs,' Sailya said.