# The Baily Star

Founder-Editor: Late S. M. Ali Dhaka, Thursday, May 28, 1998

## **Another Test of Will**

The World Bank's stipulation of a deadline that borrowers refund their loans within three months or be prepared to be listed as defaulters has ruffled many feathers. The WB not only insisted that this is an international accountability criterion that must be met but also entered into an agreement with the Bangladesh Bank to ensure that the norm is maintained. Theoretically, therefore, it will be in a position to pin down Bangladesh Bank and the Finance Ministry, if things should go wrong with the accord. Hence, the government, Bangladesh Bank and business leaders are perturbed in varying degrees over the deadline issue.

The business leaders and captains of industry approached the Finance Minister for a waiver on the World Bank stipulation in view of disruptions in their production and delivery schedules often caused by erratic power and gas supplies and road blockades and strikes. The Finance Minister, for his part, in a spirit of considerate accommodation has agreed to persuade the World Bank to defer implementation of its agreement with Bangladesh Bank by a year. The complaints about 'infrastructural constraints' and politically-induced strikes and communication difficulties are genuinely deserving to be heeded. And we sympathise with the business community on this score. But can the govemment freschucident and dramatic indres by the end of next year to be able to court the WB's deadline? If the answer is yes, well and good. If it is no, then do they mean business? Are they merely buying time? To remove such negative impressions we suggest the government do the following during the one-year grace period it is seeking from the World Bank: (a) reasonably improve power and gas supplies, and (b) strike a bipartisan deal to keep economic operations outside the ambit of political agitations.

Most importantly, their bona fides in the entire recovery exercise will be proved if they can display adequate political will to take legal actions against recalcitrant big loan defaulters. How forcefully and effectively they demonstrably handle the old loan cases will only entitle them to a position of trust in regard to dealing with the new loan cases.

### Saving Dhaka

That Dhaka, by filling its water bodies and open spaces and raising high-risers endlessly, was racing towards dire days, has been universal knowledge for quite some time. In fact, numerous fora, including very much the press, have long been warning about the consequences of the prodigal ways of the Dhaka building boom. It only remained for someone in the government to acknowledge the truth of the matter and the danger it represented. We are happy the acknowledgment has come from the Prime Minister herself. She has spelt out the danger in very clear terms. And credit goes to her for voicing, for the first time from the government side, alarm against the sprouting of high-rise buildings.

Now that the Prime Minister has very clearly sided with those that want the city to live and not to be milked to death by way of yielding profits to realtors - let the process of degeneration decelerate. How will that happen — that is for the government to work out and act upon. We want results, in concrete terms. We want Dhaka to be a great city

and not a stinking slum.

Has the Prime Minister, by any chance, noticed that the Dhakaites do not take pride in their city. How can they? It is, as at present, not really a city. Every inch of it cared for, every soul in it accountable individuals, well that's a city. City norms and city accommodation — the best of civility that is are completely absent in this hole where everyone treads over every other's toes. How has this Moghul town and the sleepy university town of the British times, where Bengalees dreamt to pass their retired life, come to this pass? Through endless lusting after wealth and power. Culture is a city's soul. That is why a city cannot just be created or established. Over centuries it grows in culture and gets its soul. Dhaka has its centuries all right but no soul. How come? Will the Prime Minister lead us into building a new Dhaka that will have a soul? Whose citizens would care for every fallen leaf, like they do in Paris?

A master plan exists for the city's all round development with an eye to the future. The shelfbound document needs to be dusted and re-read for incorporation of any changes needed to make the metropolis into modern, vibrant megalopolis of the 21st century.

To Curb the Crime Rate Absence of social resistance has been at the heart of the alarming rise in the crime rate. Tuesday's discussion on crime and terrorism in the society, organised by some Rotary clubs of the city went into reiterating that and also perhaps reminding us how inadequate our stray and sporadic voices of concern have been in tiding over gross criminalisation of the society.

Thirty per cent of the crimes in urban areas, as a former police chief cited, are not reported to the law enforcers. Now this is a point to ponder over. A great part of this figure comprises women and children, the most vulnerable groups of the society. Usually women are loathe to report violence committed against them from the fear of humiliation and social isolation. The problem does not lie only in social stigma. The shabby, insensitive treatment that is dished out by every professional group crime, say, rape is reported, is something to be reckoned with seriously. The point is - we have to

graduate collectively, socially.

It is not merely social sensitivity that we are lacking in. We are badly short of any sense of social responsibility also. Our concern for individual interest and security turned us into little pockets of foolishly smug and criminally irresponsible groups. We have to understand crime rate has increased at a far too fast pace for this kind of canny individual smartness — a study says crime is increasing at an annual rate between 7000 and 10000. We have to understand it is not possible for police to be at every place of criminal incidence. Members of the society have to come forward and take the initiative to resist people with criminal intent. The thrust has to be equally strong at the informal level. Various NGOs and voluntary social service groups can play a big role in sensitising people about their duties and responsibilities. The Daily Star has put forward the idea of signature collection from representatives of various professional groups.

# Escalating Tensions in South Asia: Call for Sanity and Rationalism

The recent pronouncements of Indian government's Kashmir policy in the context of its newly-acquired

OUTH Asia is once again in the grip of acute anxiety and apprehensions about possible armed conflicts between India and Pakistan. Ever since India's five underground nuclear explosions on May 11 and 13, which have demonstrated not only New Delhi's nuclear capabilities but also its nuclear superiority over Pakistan, passions have been raging high. Kashmir, over which as many as two wars have been fought, but recently been the reason for both countries to go for conflict-avoidance measures, is again in the forefront.

In response to Prime Minister Bajpayee's assertion that India would take a 'proactive' stance on Kashmir to deal with alleged Pakistan-sponsored guerrilla Kashmiri insurgency, Prime Minister Nawaz Sharif. in his first news conference since the Pokhran explosions, accused New Delhi of seeking a military solution to Kashmir problem.

He went on to label it as India's nuclear blackmailing of Pakistan in giving up its claim on Kashmir. Such misadventure, he warned, would be met with a resolute response linking it to possible nuclear testing

by Pakistan. Rhetoric aside, one now worries about the consequences of newly added nuclear dimension in India-Pakistan's conflicts, especially in the given unforgiving political climate of the region. The threats of use of nuclear weapons and nuclearization of South Asia have now become a regional concern.

Bangladesh, for example, is worried about the possible radioactive fallout of India's nuclear tests in its already-polluted atmosphere. It now poses security risks for every country in the region and not just India's and Pakistan's. Possible regional nuclearization with its potential to overkill and its overall devastating effects, thus, can hardly be overrated. As such both India and Pakistan should be counselled to use restraints, and try to resolve their perennial conflicts through other means rather

▼ N a country like Bangladesh

▲ mere "plans", the budget

plays key role for economic

development by focusing on the

development priorities in

commercial and basic in-

industrial,

different

where long-term plans are

Kashmir has long been cited as the root cause of Indo-Pakistan conflicts. Wars. UN interventions, dialogue, nothing seemed to work bringing about a solution since first Indo-Pakistan war flared up over it in 1948. Though BJP's election manifesto reflected its

intransigent stance with regards to a possible Kashmir solution it fell short of a military solution. The talk of a military solution of Kashmir, which symbol-

than military ones.

izes the continuous tension between the two, has been unofficially stated by the General Secretary of BJP during the last parliamentary election campaign, sending a shock wave throughout Pakistan. But it was considered to be more rhetoric than reality when the fragile BJP-led government came to power in India.

As such the recent pronouncements of Indian government's Kashmir policy in the context of its newly-acquired military muscles obviously has escalated the regional tensions. Such aggressive policy is indeed tragic since the threats of open warfare between India and Pakistan had somewhat subsided to large extent in the last two decades though both sides remained overtly concerned about current status quo in Kashmir.

There had been hopes that their relations would be stabilized and war over outstanding territorial issues would be a thing of the past. This is not to say that open armed conflicts between the two were completely ruled out. India being the core regional country refrained from taking fresh initiatives and did not drastically deviate from its regional security policies rooted in its domestic realities. Pakistan, on the other hand, also remained victim of its fierce domestic politics. But there were visible signs of an evolving process of

dialogue and negotiations. South Asia, following the

As has been in the past, be it

so long the policy continues.

Such abrupt/frequent change of

policy not only creates wasteful

assets for the nation, it also

loses confidence on the indus-

trial investment climate as a

that gradually more and more

awareness is being created re-

garding the budget. Over the last

few months different socio-po-

litical, business and profes-

It is encouraging to observe

successful use of Confidence Building Measures (CBMs) in various regions of the world like Asia-Pacific, South America and Middle East, began adopting a number of CBMs to reduce tensions, avert intended escalation or war, and promote reconciliation. The agreement not to attack each other's nuclear installations, air-space agreement, military exercise agreement and establishment

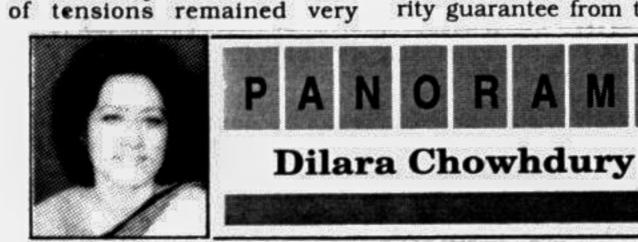
table examples of the process. Unfortunately, the CBMs, which helped in ending the East-West conflicts, have had marginal success in South Asia due to "cultural" impediments. The CBMs were accepted in letters only and not in spirit. As a result, the periodic escalation

of hot lines are some of the no-

go ahead and do it? But what would be the consequences of such policy options? First, the reactions from

Pakistan. Islamabad has demonstrated commendable restraint following India's recent nuclear explosion even in the face of tremendous domestic pressures. But the nature of Pakistan's domestic politics is so unforgiving and the contest between the government and the opposition is such that it may be difficult for any incumbent government to maintain restraints over a long period of

The country feels seriously threatened by New Delhi's aggressive mood. And if no steps are taken whether it is nuclear explosions or some sort of security guarantee from the major



much the part of the sub-continental scenario.

The hair-trigger situation during the Brasstrack exercise of 1986-87 and near nuclear confrontation of 1990 only demonstrated that small steps taken could at best minimize tensions but could not promote political reconciliation. Actually, the suspension of secretary level talks between New Delhi and Islamabad in 1994, was predicative of continued stalemate in Kashmir.

Is the BJP government then thinking in terms of doing New Delhi's unfinished Kashmir business once for all since it is now armed with nuclear capabilities? Are they in the opinion that since New Delhi can hardly do anything more to arrest the volatile situation in Kashmir, only other policy options could be a punitive surgical strike or nuclear blackmail? And they might as well powers, the Prime Minister would be in a real fix. His 'inactivities' would tantamount to sacrificing the supreme national interests of the country. And as the escalation mounts Islamabad's response may be

similar to that of India. The net result: a dangerous nuclear arms race in the region. That race may not be as deplorable as it was between the two super-powers during the cold war but any amount of nuclear deployment, however, small would invite multiple

Second, maintaining effective nuclear deterrence like that of the super-powers require sophisticated second strike capability and command and control system. Without the minute systematic sophistication chances of nuclear accidents are high. Actually even with highly developed command and control procedures

military muscles obviously has escalated the regional tensions. both the super-powers experienced nuclear disasters throughout the 1970s and the 1980s. Without such developed procedures, one wonders what would be rate of such accidents or disaster in South Asia? Have such thoughts even crossed the minds India and Pakistan lead-

> erships? Third. BJP's expectations that India's successful testing multiple-use warheads have given them an edge, since they can be used in low intensity conflicts, and counter alleged 'proxy war' on Indian soil i.e., like in Kashmir, are based on wrong premises. The fact is that the use of these kind of weapons in any ethnicity problem has become somewhat obsolete. How can they be used against your own populace? Pakistan may be allegedly abating the insurgency in Kashmir but isn't it also indigenous?

Isn't it a fact that the new generation of Kashmiris have become alienated from Indian polity? In that case should not the solution be a political rather a military one? After all if military solution could be imposed on alienated group of people, then would not the United States, the most powerful country in the world, secure easy victory in Vietnam quag-

Today, conflict resolutions, especially ethno-religious ones. are not feasible without having detailed and a protracted negotiation among the contending parties. Obviously, any possible aggressive BJP policy options like that of a punitive surgical strike or nuclear blackmail in resolving the Kashmir would simply back-

Actually any such actions would not only heighten, in the worse scenario case, the risk of a nuclear confrontation between India and Pakistan inflicting unimaginable destruction on both, but in the less devastating one, but also weaken Pakistan. Kashmir's proximity to Afghanistan,

which is being torn by its ethnic conflicts, in this regard has to be very seriously considered by the decision-makers in New Delhi. And in the context of non-state actors' increasing involvement in Kashmir conflict. can the procurement of nuclear weapons by them be completely ruled out? What then would be the outcome of the harrowing prospects of nuclearization in South Asia?

It is, thus, sanguine for both India and Pakistan, and in the present situation, more so for India to use wisdom. It must be internalized by both that avoidance of war and unintended escalation is mutually beneficial. What both should try it to have greater military transparencies, disarmament and arms control regime in the region. Since India right now has high stock of security, the responsibility of building confidence measures and arms control regime in South Asia all the more lie heavily with New Delhi.

The realization should be there that only such measures can better serve their mutual national interests. After all security both India and Pakistan, in the long run, rest with the economic development of the region, and not nuclearization. It should be kept in mind by the leaderships of India and Pakistan that they are promisebound to deliver the fruits of their peoples' hard earned inde-

pendence. Would not the leaderships have the far-sightedness to realize that in a region where brutal poverty, hunger, disease still stalk millions, where basic human dignity is sadly lacking, and where women spend their entire lives in virtual servitude, a recourse to nuclear path tantamouts to near insanity? Surely South Asia is not that

The regular column Currents and Crosscurrents by MM Rezaul Karim could not be published today under unavoidable circumstances. It will, however, appear next Thursday.

# Budget 1998-99

# Will it be Up to the Expectation?

by M Abul Kalam Mazumdar

Any developing country to grow, must have very clear cut longer term policy pronouncements so that it can give a clear direction to the investors and entrepreneurs based on which they can chalk out their own long and medium term investment plans.

frastructure sectors — in addition to acting as the management control tool of the gov-It is the budget through continuity of a policy. It has also limited attraction for the which most people of the socicommon people. Moreover, ety (i.e. industrialists, professionals, service holders and whatever is disclosed is not farmers) expect some positive only what it means, there are a lot of hidden announcements that comes after the budget in the form of SROs. Any developing country to grow, must have very clear cut longer term policy pronouncements so that it can give a clear direction to the

indication from the government on annual basis. Traditionally, the budget hardly meets the expectation of the common masses. Certain limitations are engraved in the government's budget preparation process itself. It is a highly buinvestors and entrepreneurs based on which they can chalk reaucratic and mathematical exercise. Each year, the exerout their own long and medium cises are carried out by followterm investment plans. ing some rule of thumb norms, within the same government's by increasing or decreasing certain proportion of revenue and period or not, the policies changed so frequently that the expenses. This is not always investors within a short span of done in conformity with the one or two years after deciding long-term plans or developor starting the investment in a ment strategy. The recent comparticular industry or venture ments of the Finance Secretary in a pre-budget round-table ordiscovered that the venture is ganised by The Daily Star also no longer viable/prospective. supports this. There starts the sufferings of the investors and it continues

He mentioned, "Budget is a compromise document between good and bad proposals". Any compromise between bad and good can never act as objective development strategy of a government. Budgets, based on development strategy, backed by long and medium term development plans is the only option, be it popular or unpopular in the short run.

The national budget lacks long-term persistent policy or

sional organisations have come up with their suggestions/recommendations on the

Lots of articles and observations have also been published in the newspaper and periodicals. The aim of most of these efforts is to have a more pragmatic policy framework to facilitate overall economic development of the country. Taken all these suggestions together the government's budget preparation exercise, to formulate a more development-oriented budget, is easier provided the government wishes it.

In a country like Bangladesh where resource is very scarce. its prudent and optimum utilisation is the prime necessity. As has been earlier, historically, the government's expenditure is increasing year after year. Although there were a lot of studies in the past to reduce the size of the government and increase the quality of service, little could be achieved so far.

Instead, quantity has become the identity of the government resulting in increased expenditure day by day. As has been observed last year, in view of shortfall of revenue collection and increase in expenditure, the government had to borrow from the banking system which ultimately affected the banks' lending for the industrial sector hindering the industrial growth.

There were also efforts to impose new taxes in addition to increasing the tax rate on existing heads. In a very smaller tax base increase of tax rate can increase the total revenue to some extent but the quantum can never be sufficient as required for a growing economy. As Syed Monzur Elahi, Chairman of the Apex Tannery Group has rightly pointed out in a similar discussion arranged by ICMAB recently, "Unless and until the tax base is increased through industrialisation mere increase of tax rate cannot help in real terms". It would rather create de-motivating effect on the existing industries as they were always victim of the govern-

ment's new tax measures. Bangladesh is a signatory to the WTO agreement under which the government is committed to overall reduction of all import taxes. In the context of liberalisation and opening up of the economy, and as per the prescription of principal donor agencies the tariff structures have been changed considerably. Have they been done considering the local industrial development perspective in mind? Internal and external competitiveness is the key to long-term survival of any industry, no doubt. But from a

noticeable, but we are indisci

plined in the present and can-

not properly plan the future.

Why is it so difficult to please

the Bengalees? In West Bengal

(India) how one regime could be

tolerated for nearly one genera-

adda-baazi, once the basic ne-

cessities of life are met. (The

Malays also like to relax and

take life easy, which partly ex-

challenge of concentrating the

public vision on the future —

improve your own lot; don't

bemoan of the centuries of past

glory.
Wistful thinking should be

**Prof Abdur Razzaq** 

torial on ailing Professor Raz-

zaq has inspired many of his

students and admirers in the

pursuit of knowledge in a pros-

tive sense as also, as you say,

"iconoclastic" and "incisive"

zaq (The Daily Star, 5 April).

Sir, We appreciate your edi-

Indeed since 1940s Prof Raz-

banned!

A Critic

Dhaka.

thinking.

How?

Our leaders have to face the

plain the import of labour).

We are lazy and famous for

protected environment, sudden opening up can do more harm than good. It is like discontinuing the feeder to the bottle-fed baby suddenly with the expectation of the baby's taking the

solid food. Rationalisation of

tariff structure with the aim of

phased reduction of import

taxes can help provide scope to the local industry to be compet-The VAT introduced few years back on experimental basis has been continuing almost in the same shape exempting certain sectors. This is bound to create distortion in the economy. The earlier the base is expanded for all the sectors, the

the government. Besides, there are also other valuable suggestions put forward by different bodies/forum. Some of these are: elimination of infrastructure development surcharge, changing the

better for the economy and this

can generate more revenue for

methodology of tariff value calculation, exemption of income tax from exports, establishing transparency in tax administration, encouraging honest tax payers, cuts in tax rates and simplifying the tax-payment procedure, etc.
The country's top business-

men and chamber leaders in a similar meeting arranged by The Financial Express and chamber bodies have stressed the formulation of the national budget on the basis of practical needs and demands of the time for achieving the economic efficiency. They pointed out that the government in the past has failed to take necessary reform programmes and failure to do so in the current year would affect the economic efficiency very badly.

Hence a more pragmatic approach is needed instead of the populist ones. There along with improvement of law and order situation, legal reforms, programmes for reduction of state corruption and human resource development are the essential prerequisites for development. As observed from the deliberations of different bodies/forums, these are the common expectations of the general masses and how these common expectations are taken care of in the forthcoming budget remains to be seen.

## OPINION

## Soothsayer's Telephone Development

Something is seriously wrong in the kingdom of the country's Telecom Authority. The waiting and existing users have been fed continuosly tall and juicy stories and statistics on the rapid development of the telecommunications system in the country, especially the quick availability of cheap telephones for the middle-class homes and small offices. May 17, the International Telecoms Day came and went away, and the old wine was once again served in the new bottle. Lot of sermonising, and the waiting period is still a year or more. Why the service is not improv-

ing, and improving fast? The problem is the very approach to the issue of decentral isation, deregulation, and privatisation, and the ratio of business to be allocated to the private sector. While Pakistan could solve the problem after a few years of dilly-dallying. Bangladesh and India seem to be following a similar approach - a hesitancy to hand over the prime areas to the private sector. India has improved its services, but Bangladesh appears to be still toddling at the tuto-

Let the public sector do some business and make some money, but not at the cost of continued delays and more delays. The demand for the existing and new services must be met, not through scattered micro projects here and there and in the peripheral areas (cellular for the rich, and thanas and outlying districts for the private sector) The prime areas are not being released. The refrain appears to be "We can't do it

rial level.

quickly, and we won't let others

There is some truth in the

analysis that in the under-developed countries, the inexperienced private sector has to be primed to do business efficiently, and not look only at the profit side. Competition has its uses when the purchasing power is adequate and the volume of the business is economically viable. National policy guidelines

are not being explained to the public, except for the terse announcement that the national telecom policy is ready or released. There is one basic news item: the exchanges are being digitalised!

The policy may be discussed at press conference and seminars. Let us not talk about the non-deliberations in the Parliament. For example, has the government decided on the future policy on wire and wireless systems? What is the policy on WLL? When international standards are being drafted, the proprietary standards in the marketplace compete for de facto advantage. How the government is looking at this type of scenario, which is common these days when technology is chasing application?

The same type of procrastination is going on in the energy and power sectors. The reason is not far to seek - there is money in these sectors, and the vested interests must be very active. The Prime Minister had to take over one sector herself (she should be free for more visionary concepts).

The public can get better and quicker telecom services once the policy guideline is put on the rail and the guard blows the whistle and waves the flag to proceed full speed ahead. Where is the all-clear?

### We all are responsible

Sir, There is a plethora of crimes, violence, hi-jacking, illegal toll collection, violation of traffic rules, traffic jams, smuggling, corruption and irregularities in government offices and public sector corporations, erratic electric supply and load shedding, price hike of essential goods and commodities, foreign loans and deteriorating law and order situation all over the country.

Who is or who are responsible for all these evils? In fact we are all directly or indirectly responsible for the present-day situation.

There is no justification to raise figer towards any third person or to blame others. Why don't we indiscriminately blame ourselves individually. rectify ourselves and move in the right direction?

O. H. Kabir 6. Hare Street, Wari, Dhaka-1203

### Tender for 'radio station'

Sir, This refers to the advertisement of the Ministry of I&B calling for tenders for private operation of "radio stations". The term is vague and nontechnical. There are many types of 'radio stations' used by various agencies, for different purposes such as transmission, reception, communication, data, broadcasting audio programmes in different bands, telephony, LAN etc.

It is regrettable that accuracy and precision are missing in the general announcement. There should be at least one Engineering Advisor attached to the Ministry to abide by ITU

An Observer Dhaka.

### Who really won at BUET?

Sir, Big events often take place as a result of reactions to minor incidents. It was the shooting of a prince at Sarajevo, a relatively minor incident, that eventually lead to the first world war. The use of fat from pigs in ammunition lead to the great Sepoy Mutiny of 1857 .Was Edward VIII coerced into to the throne of England? Carefully foreseen reactions to apparently minor incidents have often lead to the successful achievement of a long cherished ambition.

One can take the example of the recent incidents at BUET. The admission test to be one example where a relatively small matter of minor significance could lead to big results. With the intervention of the Prime Minister it would seem that the matter has been solved or the end reached.

But one may ask the question, who won? Did architecture win? No, because according to the architects a wrong admission test will actually take place only because a decision has been taken and the power behind the decision is strong

enough to let it happen even if it is just this once.

Did BUET authority win? No, because they are in the process of loosing a department and because their powerful academic council has been declared to have taken an incorrect decision by none other than the

Chancellor herself.

Wrong decisions by the academic council are not previously unknown. Doctoral degrees from certain countries were not recognised for a number of years till the academic council decided that they were all right, but only after many people had suffered.

In this whole game it was eventually the system that won A system riddled with bureaucracy and high handedness that can protect a wrong doing through a multitude of rules and regulations.

Z. H. Khan Amin Dhaka University, Dhaka

The personality bug

Sir, The government (small 'g') has announced well in advance 'massive' preparations in the offing to 'celebrate' the anniversaries of Nazrul and Tagore in May. The private sector cannot be entrusted to look after the great personalities of the past, along with official patronisation.

One philosophical question arises: why we Bengalees have such a profound complex for ceremonious, anniversaries and living with the past? Of course our past culture is

Savar, Dhaka.

Abdul Haq Chowdhury