Quest for a New World Economic Order

by A Quadir Chaudhury

"Asia needs to examine why it has found itself to be a supplement to the west both intellectually and materially. True, wealth comes from intellectual capital. Modern Asia has conspicuously little of it. Few in Asia have honesty to admit that Asian modernity is largely a product of the western mind."

THE recent financial quake in the countries across the east and the south-east Asian Regions have triggered alarm bell and have caused grave concern to the policy planners, financial wizards, investors bankers etc. which call for a critical and in-depth study of the whole matter which came as a bolt from the blue to the countries so long eulogised as 'Tiger economies'.

Is it because of the "weakness in the fundamentals" of the 'economies' that precipitated the crisis or because of some other factors which were orchestrated in a planned and subtle way to batter their fast growth? Were the edifice of the economic fundamentals fraught with such lapses and hollowness that could not withstand the adjustment mechanism and neo-economic globalisation? Were the mismatch in the growth process so vulnerable that went unnoticed not only by the policy planners and regulators of the home countries but also celebrated bodies like World Bank, IMF, ADB etc.? Is it because almost all the countries in the area were caught in a malaise of craze and went amac in a wrongful planning and never perceived of a situation that could, almost overnight, make them limping lambs from roaring Tigers?

What is being endeavoured in this write-up is not only the weaknesses in the economic fundamentals and the role of Crony economy, absence of democracy, corrupt socio-political system, lack of accountability and transparency and so on and so forth as being attributed by the western press but also unleashing of an immoral currency trading of magnitude that siphoned out cash resources of the countries in a very organised manner under a chain net-working system taking advantage of the vulnerability of the socio-economic and political system of the countries concerned. Be it known that the 'Asian miracle' did not take place all on a sudden. It took long years of sustained efforts and pragmatic planning, continuous reform measures and policy adjustment over years to earn the reputation of Asian Tigers. But how come that everything went wrong in just over matter of weeks?

The venom of hatred of the west with regard to Asia is well exposed in the despatch of the celebrated News Week, published in its 15th Dec 1997 issue, which commenting on Asian affair said "Asia needs to examine why it has found itself to be a supplement to the west both intellectually and materially. True, wealth comes from intellectual capital. Modern Asia has conspicuously little of it. Few in Asia have honesty to admit that Asian modernity is largely a product of the western mind." It went on further and said, "By their own action the members of the Asian elite acknowledge that there is something superior in western education. Yet they will not admit that its most distinctive feature is tolerance of a human being's individuality and the encouragement of an individual's potentials to create respect. Respect for individual mind is the key to creativity. For Asia to meet the Western challenge it needs to rediscover what once made it creative and then build on it. It must cease to be imitative".

What is true is that Asia has been hit at the back while it was in the process of standing on its own feet, attracting large scale foreign investment, giving new direction to world economy, setting up tallest building of the world much to the bewilderment of the west. True, Asia could not anticipate such an organised whisking up of its resources by currency traders and hedge funders which Dr Mahathir Mohammad termed 'immoral' and called for a revision of the currency trading system. The powerful western media in a row stood against Dr Mahathir, raised questions on his prudence and nationalist attitude. West is traditionally against any nationalist spirit. Re-collect their role in Bosnia-Harzegovina. Evaluate their standard in Israel-Palestine situation. Their formations against Iraq and a tamed and low profile policy against Israel.

Recollect the situation obtained in Bangladesh following coming into power by the present government after a long and relentless struggle. With a new government in saddle economic activities started picking up. People started up with new hopes and aspirations. Small investors rallied round the stock market and started investing whatever little they had. This generated fresh hope in the twilight of darkness. More people started flocking around. Foreign investors and portfolio managers taking advantage of the vulnerability of the economic system got suitable amendments done in portfolio investment to their advantage and in matter of months in collusion with some unscrupulous local currency traders whisked ont billions of taka which is still haunting us as a nightmare. The market had a total crash. Most of the investors virtually lost whatever they had. The stock market, nay, the economy as whole could not as a yet get out of this shock. And it is not known when it will!

Needless to mention that as a part of the financial structure reform programme when the Current Account was made convertible in early nineties there were even pressure on the government to go for convertibility of the Capital Account and lobbies were quite active for that too. But the country's political situation soon started deteriorating. It acted as a brake on the process. If the Capital Account would have been made convertible, just imagine the situation we might have been left with. To avoid a situation like Mexico being repeated in Bangladesh the then sagacious Finance Minister introduced the much debated lock-in system ostensibly to bring about some kind of restraint on the currency trading and ensure a sort of stability in the stock market but the lock-in was hurriedly withdrawn with an intent to encourage more foreign investment and the inevitable happened. Portfolio managers not FDIs flocked in.

The so called investors in collusion with a host of unscrupulous local currency traders under the cover of that relaxation caused the rampage. They skimmed off total benefit from what may be termed as partial convertibility. Bangladesh being a poor and small country failed to draw the attention of international media other than the one dubbed as "slaughter of the small investors." Unused to this kind of 'slaughter' the investors were hoping against hope.

Whatever may be the arguments of the western press with regard to the malaise in the fundamentals it goes without saying that a well organised and deep rooted and remote controlled planning mastermind the whole situation. Otherwise how could a chain of tumbling of the stock market happen one after another starting from Thailand to Vietnam, Philippine, Korea, Malaysia and Indonesia?

Did not the World Bank and the IMF know about how strong or weak were the fundamentals of the economies of those countries? Their foreign exchange reserve, growth rate, rate of inflation, export position, non-performing loan, short term and long term borrowing against FE. reserve, quantum of portfolio investment, debt service repayment as a percentage of export or GDP, balance of payment position etc. etc. Now the western press and a handful of economists have discovered Asia's growth as a "hoax". The new group of economists found corruption, absence of democracy, administrative inefficiency, bureaucratic hierarchy, red-tapism, lavish financing to conglomerates by state owned banks, inefficient banking system and above all a sort of "Asian arrogance" as causes for the crises.

The countries did not know even months before, not to speak of years, that they were heading for a financial melt down. They have been caught totally unawares. They have been totally befooled. It is pertinent to mention here that only a few months before the financial quake, the International Monitory Fund (IMF) in its annual report had all its praise for Korea's high economic performance. There was no hint in that report of any concern about Korean "Chaebols", poor banking regulations, overvalued won etc. Why then is it that the situation is being branded as a "deep rooted disease".

But again there are critics who tend to look at the whole situation from a different perspective. They hold the impression that the Korean problems in particular and Asia in general embroiled not from the weakness of the fundamentals but from 'planned' withdrawals of short term loans by private financiers from these countries. Investors abroad as a part of the "game plan" were funnelling money in short term debts and portfolio investments to these countries. But when the game plan matured withdrawal started one after another without respite making the investors panicky and "each rushed to get out faster than the other". It is like creating a 'run' in a bank in an organised way. The immediate effect of the crisis being over the far reaching consequences will be more horrendous and painful. The immediate causes led to the collapse of the economies'. The currencies heavily depreciated. The miseries of the people have reached a level beyond proportion.

The first part of the financial drama have been very adroitly and successfully stage managed by the currency traders the way they wanted it. The second part has soon started. It will be more humiliating. Now there will be series of layoffs, more unemployment, more shut downs of business houses and conglomerates, and more failures. Imagine the situation when the decent and active men and women que up for job or remain jobless! We have seen the news of how Korean men and women were parting with their little piece of ornaments to brave the situation. We are told of Malaysian students who went abroad for higher studies but are now returning back home with humiliation that, parents cannot afford to defray educational expenses. Imagine a Thai industrialist who used to jet across for a large part of the year on business tour now forced to manage a potato chips shop!

The worst casualty of the melt down has been and will be the financial sector especially "the local banks". Thousands of retail depositors are reported to have rushed to the warm embrace of foreign banks. "The effect is a region-wide run on local banks taking place in slow motion. "In last six to twelve months Citi Bank have had a large number of "new customers" throughout Asia" stated Mr Brian Clayton, head of consumer business for the North Asia. "The Shift into foreign banks has large implications for the future of retail banking in Asia. No one knows just how much money has already been shifted to foreign banks but surely it amounted to several billion dollars, possibly much more." Asserted *Far Eastern Economic Review* in its recent report on Asian Economy. The *Review* further stated that "about US $5.9 billion Dollar worth of local deposits had been moved into foreign banks between October and December 1997 in Malaysia. Hong Kong alone experienced a 31 per cent. Jump in customer deposits to US $ 4.67 billion. In Indonesia deposits at foreign and joint venture banks soared 48 per cent to US $3 billion between June and November 1997. (*Review* 12th March 1998).

It is high time that the World Bank and the IMF should set themselves for more re-structuring of their own polices in the wake of Asian experience. They should set themselves for self-searching and start with new mind set. They should find out very dispassionately reasons for the financial catastrophe and take up measures for preventing their possible recurrence in future. Mere shifting of responsibilities to the countries for inherent weakness in their economies and coming out with "bail out" for a staggering US $ 57 billion for Korea and US $ 43 billion for Indonesia and US $ 17.2 billion for Thailand will not suffice. The celebrated *"economist"*, commenting on the situation lamented that "the IMF is seen not as a rescuer but as a tool of American and Japanese colonisation" (December 13th, 1997) and questioned the credibility of the IMF and asked "why little was done to prevent them in the first place." (Jan 10th, 1998.) Senator Launch Faircloth of North Carolina, USA, uttered with dismay that," market discipline withered away."

In view of the foregoing it is imperative that the World Bank and the IMF should put their head together and :

- address the possible restructuring to prevent repetition of such eventualities;
- put required amount of control on the local regulators;
- restrict portfolio investment upto a measure proportionate to foreign exchange reserve and balance of payment position keeping in view progressive growth and diversity and elasticity of exports;
- Restrict a country's Short Term borrowing to a safe level of FE Reserve keeping enough spread for payment of the dues on due date (e.g. Koreans' external short term debt exceed US $ 100 billion — *The Economist* 13th Dec 1997);
- link currency values to the economic performance of the countries and must not allow it to overshot;

The need of the hour is to face the situation with courage and vision. The world financial bodies should work with the vision of a George Marshall and a Macarthy and the magnanimity and sagacity of a Macnamara to rebuild the shattered economies, restore confidence and stop the process of destabilisation and neo-colonisation which seem to be looming large to frustrate the lofty aim of a new world economic order capable to face the challenges of the 21st century to eradicate poverty and hunger where Asia should have its honoured and dignified role to play. Else the much sought after agenda of economic globalisation will remain but a far cry and meet the same fate, if not now, say a decade after, of how the lofty ideals of socialism witnessed is burial in Eastern Europe and the Soviet Union through liberalisation and disintegration.

Let the big powers not commit this mistake of an unbriddled game of laissez-faire. Let the world bodies take lessons from history. A swing in the other direction must not be forced upon. Cautious skepticism must not be abhorred. Would reflexive pessimism be always wrong?

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Indian Economy on the Brink of Recession?

K.S. Nayar writes from New Delhi

After the 1994-97 period when gross domestic product (GDP) growth was above seven per cent, the economy has been on a downward spiral. In the April-May period of this year, exports were down by 7.5 per cent against a slump of two per cent in the corresponding period last year. The annual inflation rate stood at 7.6 per cent against 4.5 per cent a year ago and industrial growth stood at five per cent.

INDIA is not in a recession as yet, but the current economic slowdown could worsen unless the government comes out with urgent policy prescriptions, economists and analysts have warned.

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To come out of the present crisis, experts said, the government has to design policies that would put the country back on a seven per cent GDP growth trajectory. Industrial growth, too, needs to be pushed up to ten per cent and exports to 12 per cent.

All this, however, may seem a tall order for a coalition government like the one headed by Prime Minister Atal Behari Vajpayee as it seems preoccupied with constant political fire-fighting to survive, they noted. The nuclear explosions of May have shaken the economy further. Although the ruling coalition believes the tests have helped it to politically consolidate itself, analysts felt the blasts have shattered business confidence.

The current economic turmoil in Japan and the South-east Asian economies have also severely affected India, the analysts said. "Should it impact the American economy, things could get out of control here too," noted S.R. Mohonot, chairman and executive director of the New Delhi-based Centre for Industrial and Economic Research (CIER).

"The present depressive conditions can easily last for the whole of 1998-99 fiscal," said Mohonot, who felt the government needs to take "bold steps" to put the country back on the rails.

According to him, action was required on several fronts: making credit available easily, reviving the stock markets, managing foreign exchange better and encouraging a higher inflow of foreign direct investment (FDI) in the infrastructure sector.

S.P. Gupta, chairman of the Society for Economic and Social Transition (SEST), an independent New Delhi-based think tank, agreed, especially on the need to fund infrastructure projects. "The economy is handicapped with tremendous shortages of infrastructure," he said. "This has been building up because of the continuous neglect of investment in infrastructure by successive governments."

He also feared the rate of inflation growth would get out of hand. "The inflationary spiral has started building up because of a series of pay hikes and certain fiscal measures undertaken mainly for budget balancing," he pointed out.

The Southeast Asian crisis, the high cost of capital and the slowing down of foreign capital flows into the country have aggravated the situation, Gupta argued. "The net inflow from official assistance and foreign institutional investors are, in fact, negative," he added.

Pradip Srivastava, chief economist with the National Council of Applied Economic Research (NCAER), another independent Delhi-based think tank, said the monetary squeeze of the past and the fiscal slippages inherited by the present government have led to the slowdown.

"The monetary squeeze has resulted in high real interest rates which led to the start of the economic slowdown in mid-1996," he said.

Srivastava, however, did not think the country was headed for a recession. This, he said, was thanks to the agriculture sector. "Agriculture output is expected to be good because of normal monsoons," he pointed out. However, any unexpected shocks — such as a jump in oil prices — could push the country into a recession, he warned. According to Srivastava, the government has to do two things immediately to revive the economy: push ahead with reforms and control revenue expenditure. He, too, stressed the need for attracting FDI into the infrastructure sector.

Mohonot said the government should also initiate action to bring some life back into the capital market. "Shares of even performing companies have been practically non-tradable even at a fraction of the earlier prices. There is an erosion in the market capitalisation of the order of about 35 billion rupees (about $833 million)," he said, adding that this did not include the fall in real estate values, which he described as "enormous." "All this has resulted in a decline in demand for industrial products," Mohonot said. "The process has been aggravated by the fall in the international prices of several commodities and compounded by political uncertainties."

Manushi Roy, deputy director-general of the Confederation of Indian Industry (CII), said business confidence surveys conducted by her chamber have shown that the slowdown has been there for some time now. "It has been due to the monetary policies (adopted) to contain inflation. This resulted in a situation where industry was starved of finance," she said. That apart, the cost of finance also rose dramatically as the government pursued a tight-money policy to contain inflation.

"Though the government succeeded in reining-in inflation, it was at the cost of growth. While the capital expenditure of the government was cut, the revenue expenditure increased unabated," she pointed out.

The result was reduced outlays in areas such as power, ports, roads, highways and housing. This adversely impacted the core sector which bore the brunt of the poor demand. "Although there has been a surge in bank deposits, credit disbursal has been slow," Roy said. Industries also suffered as banks — made more accountable in the recent past — played it safe when it came to deploying funds.

"We have found that banks are averse to taking commercial risks. With the result that small and medium-industries suffered a tightening of money," she said. On top of this, infrastructure projects approved by the government did not translate into actual investment, with many failing to take off.

"It is the consumer-oriented industries such as two-wheelers, refrigerators, washing machines, small tractors, watches, software and fibre-yarn that saw some growth. Investment-oriented industries such as commercial vehicles, multi-utility vehicles, paper, casting, steel refractors and capital goods like textile machinery were really hit. Unless these projects take off, industry will not recover," she said.

The Federation of Indian Chambers of Commerce and Industry (FICCI) broadly agreed with CII's assessment. "Initially (when the market was doing well), there was circulation of money and companies declared dividends. The money invested brought in returns and there was a feel-good factor," said Joseph Thatchil, an analyst with FICCI.

When the stock market crashed, the "feel-good factor" petered out, he said. "The velocity of money (the rate at which money changes hands) has come down. That means transactions got affected, incomes have fallen, corporates were starved of funds" leading to "economic deceleration," Thatchil explained.

The periodic changes of government further compounded the problem. "The lack of a clear political mandate led to coalition governments. The economic reform process also suffered a setback since there was no consensus on pushing through the hardest phase of reforms," Thatchil said.

Then came the Southeast Asian financial meltdown which adversely impacted the competitiveness of Indian goods as countries in the region devalued their currencies. The volatility of the rupee, which marginally helped exporters in the short turn, had its impact on the overall economic situation.

The FICCI official described the current economic scenario as "an acute slowdown" as only some sectors of industry have been hit. "The positive growth in sectors such as power, software, gems and jewellery demolishes the theory that India is in a recessionary phase," Thatchil argued.

To kick-start the economy, he said, the government needs to step up capital expenditure. It must encourage FDI and portfolio investment and bring about fiscal corrections — such as lowering taxes to give people more disposable incomes — capable of fuelling growth.

"To supplement the fall in the flow of FDI, innovative schemes such as the Resurgent India Bonds should be floated to mop up resources in dollars," he said.

Another way to boost the economy, he felt, was to encourage corporates to export more. This would bring in more resources and help firms plan and implement expansions and diversifications.

Although the overall scenario appears somewhat bleak, there are some silver linings, Gupta of SEST said. "Some recovery has been noticed from October-November 1997 in the industrial sector," he pointed out.

— India Abroad News Service

New Technology May Stop Yellowing of Taj Mahal

by Durga Ray

A new technology developed by scientists at the National Metallurgical Laboratory is said to have the potential to stop the yellowing of the famous Taj Mahal in the northern Indian city of Agra.

The 'Cokeless copula' technology developed by NML, which is based in the industrial town of Jamshedpur in the eastern state of Bihar, proposes to replace coke used as fuel by foundries around the Taj with natural gas.

"The burning of coke releases gases like sulphur dioxide and carbon monoxide which corrode the marble of the Taj," said A.K. Guha, coordinator for the project at the New Delhi-based Council for Scientific and Industrial Research (CSIR).

The polluting gases combine with water and form sulphuric acid which falls as acid rain, further damaging the stone. The new technology, being called the "wonder drug" for the Taj's yellowing marble, hopes to do away with these harmful effects, Guha told IANS.

"The new technique does away with the use of coke by using alternative fuels like natural gas, thus reducing the emission of polluting gases," CSIR Director General R.A. Mashelkar was quoted as saying by The Indian Express.

Besides, the use of "eco-friendly" fuel may even prevent the closure of the 200-odd foundries around the Taj as ordered by the Supreme Court. The directive came about three years ago after environmentalists claimed that smoke-bellowing foundries in Agra were chiefly responsible for the degradation of the world heritage monument, a white marble mausoleum built by Mughal ruler Shah Jahan for his beloved wife Mumtaz Mahal.

The prototype for the machinery using the new technology has already been developed and tested successfully at a foundry in Agra in May this year. After the completion of test trials, it would be installed in the foundries in the next few months, Mashelkar said.

Installation of the cokeless copula system would bring down the gaseous emissions from the foundries surrounding the Taj Mahal to the environmentally permissible limit, Mashelkar told the paper.

Dubbing the technology cost effective, Mashelkar said, "Even the operational cost of these foundries will be lowered to a large extent."

However, Guha expressed reservations about the technique being less costly than the one currently employed. "Natural gas is a costlier material than coke but one has to see the trade-off. Pollution would be greatly reduced by using natural gas or even LPG (liquefied petroleum gas)," he said.

—India Abroad News Service

Plea for Reform to End Crush and Cruelty in Jails

Rising crime in post-communists Russia is placing an intolerable burden on the country's creaking prisons. Severe overcrowding, poor diet, disease and even torture are common, and, as *Gemini News Service* reports, reformers are demanding urgent action. **Kester Kenn Klomegah** writes from Moscow

SQUEEZED between dwindling funds and rising crime Russia's jails are in turmoil, with both officials and inmates warning that an explosion could happen at any time.

"Things are so, so bad here," says Yevgeny Ukahachov despairingly as he fights for space in the prison yard, his bare chest revealing a tattoo, the emblem of Russia's prison culture. His is of Jesus and Mary.

No-one would disputed his judgement after glimpsing any part of the vast network of jails that Russia inherited from Stalinism and which have hardly been touched by post-communist reforms.

Moscow's infamous Butyrka Prison, for example, is so overcrowded that inmates often collapse, gasping for air, or suffer swollen limbs.

On seeing visitors, sallow, skinny inmates in grey fatigues, most with shaven heads, rush to the bars to cadge cigarettes and complain about appalling conditions.

"You see how we live," says Vladimir Klonov with disgust. "The situation is inhuman. Taste the food and you'll know what the reality is."

Poor prison diets were singled out for criticism by a United Nations report on Russian jails. It said food was not always available because the institutions occasionally ran out of money with which to buy supplies, and was "primitive, of a fat-saturated soupy nature. It is consumed in the cell and is excreted in the cell."

Tuberculosis, hepatitis and other contagious diseases are rife in the country's 528 prisons and penal colonies. Many inmates live in communal cells in which up to 140 people eat, sleep and excrete in conditions of indescribable squalor.

The UN report pointed out that conditions in pre-trial remand centres — where first-time offenders accused of minor offences may wait years to appear in court — were even worse than in labour camps for hardened convicts. At least 285,000 people are in custody on remand.

"The oppressive heat, lack of oxygen and the odour of sweat, excrement and disease created by gross overcrowding are overpowering," said the report's author, Nigel Rodley.

Criticising the authorities for responding to public concern about crime by throwing petty offenders into jail, he recommended that President Boris Yeltsin should issue a decree releasing first-time, non-violent offenders as a means of easing overcrowding.

"It's a radical proposal because it's a radical problem which needs to be addressed urgently," said Rodely. "The present conditions are cruel, inhuman and degrading."

Vladimir Kartashkin, the head of a presidential commission on human rights, has also called for the release of those guilty of minor, non-violent crimes and an amnesty for all minor female offenders, especially those with children.

His commission's report recommended drastic reforms after it found widespread evidence of mistreatment and torture by prison guards.

Kartashkin noted that although "grave violations and inhuman conditions' existed, particularly in remand centres, few perpetrators were ever brought to justice.

He recommended that no-one should be held in jail for more than a year before trial. He also urged the scrapping of a 1994 presidential decree allowing 30 days of imprisonment without charge, which he described as unconstitutional. The report, submitted to parliament and the Kremlin, recommends a new law to punish torture of inmates by guards.

Vladimir Meshkov, an aid to the parliamentary committee on prison reform, called for "an explicit, fundamental shift in the way prisons are administered. There is a culture of ... violence in Russian remand prisons which has gone unchallenged for too long."

But reform groups are sceptical that recommended changes will be put into practice.

Valery Abramkin, head of the Russian Centre for Prison Reform, said the UN report and the presidential panel's conclusions showed the need for new statues. But he pointed out: "The problem is that we've heard and said all these things before and nothing has changed."

Abramkin said that to achieve improvements, a grassroots reform movement was needed within the prison service and the judiciary, which were cracking under the strain of unpaid wages. Suicide among warders had risen by 20 per cent last year. "There is a crisis in the behaviour of meagerly paid prison guards."

Russia is said to jail a higher proportion of its population than any other country, and the increase in incarceration is not confined to men. Crime among females is rising faster than among males. The number of women convicted of crimes rose from 141,089 in 1993 to 257,277 in 1997.

The 1997 All-Russian Women's Congress blamed the drastic economic reforms.

"Most of the social and economic burden for this transition period lies on women's shoulders," said Yekaterina Lakhova, a parliamentary deputy in charge of women's affairs. "An increasing number of marriages have ended with divorce, and women are increasingly becoming socially frustrated."

Gemini News

The writer is a Ghanaian researcher and writer based in Moscow. He is currently researching post-communist Russian policy in Africa.

Life in Dhaka

by A Husnain

SMOKING 3-legged devils have been roaming the streets of Dhaka since this bloated and deformed city grew up in historical neglect in undivided Bengal, then in East Pakistan and now in Bangladesh. The newspaper editorials have been fuming at the dark, dense black fumes 'generated' (what a sweet word in these days of electric power shortage!) by the 2-stroke autorickshaws running on three wheels. We have stroke-trouble, but not of the heart.

It is a numbers game: add two more strokes to convert the 2-stroke outdated engines into 4-stroke purring fairies, smokeless and with more power, still using three wheels. Master Stroke One is missing: the government order to phase out these old engines. Perhaps it could be done through a barter system, on the lines of the classic Arabian Nights tale: exchange new lamp for old!

Offer a bargain exchange service to have the old engine replaced and fitted with a 4-stroke engine by a certain deadline; and pay through instalments (HP system). An agency has to be set up for providing this exchange service and maintenance (the latter for the limited warranty period). A consortium of the associations of the autorickshaw owners and operators, BRTC and some banks might be workable. Perhaps it might not be necessary to discard 100 per cent of the bodies and chassis of the old vehicles, thereby saving a huge amount of the capital cost on conversion. The alternative offer is to offer an *exchange* engine kit for DIY (do-it-yourself).

What to do with the thousands of discarded 2-stroke engines? Dump into the scattered countryside for running the water pumps? The life of this old and used engine is short, enough to wait for the installation of the new REB electric distribution line in the vicinity. The painless elimination cycle looks attractive economically on paper.

One small gadget has been overlooked, perhaps missed in the haze of the smoke: the fitting of a fare meter must be made compulsory while changing the engine. The 4-wheel taxi cabs are now on the road fitted with fare meters; then why the 3-wheelers cannot carry the additional weight of one Kg of a new meter? The benefit will be 3-sided: happy passengers (no haggling or overcharging), no smoke, and the government solve a problem amicably. The idea sounds too simple. If it works, this passenger may be presented with a life-time pass for free ride in any autorickshaw in Dhaka at any time.

Dhaka is also full of power and communication bugs. The city has too much water (flooding) and too less power (electrical) these days. The correct terms are not load-shedding or power-shedding. The additional negative load is being heaped upon the hapless consumers of electricity, who are denied this essential service for several times during the day, and almost invariably during the peak hours in the evenings, not only in Dhaka, but all over the country.

The government is experimenting with BOO/BOT floating power (electrical) — mounted on barges (Khulna should be on tap by the time these lines appear in print). The other private sector investments in electric high-power generation are subject to delays in the PSC (purchase sharing contract) agreements, due to lack of official experience, and surface and underground differences.

Energy for the prime movers is not a problem. We have natural gas and coal (and may be oil, yet to be announced). The additional new gas supply output from the Sangu field cannot be fully utilised due to alleged distribution bottlenecks. This infrastructure bug always hits us below the belt. We have the heart and soul for freedom, but not the full body as yet!

Another good news, we are going to have 'powered' water. The city's 100-plus deep tube-well water pumps would be using WASA's own electric power from its new diesel generators now on order. Amicable sharing of power, if not division. Autonomous power generation by the users and consumers is a new trend in fast developing countries such as Bangladesh. The shops are already using small portable generators during the blackout hours; and some medium enterprises are installing their own tax-free generators.

Back to the indispensable 3-wheeler autorickshaws: one day soon the mobile electric supply can be hired by the hour or day basis for ad hoc demands (a wedding ceremony, during load-shedding by PDB, DESA, DESCO). The style of business is changing, now the goodies come in mini-packs: soaps, shampoos, powder milk. Why not electric power packs? Solar electric power sets are now being offered for isolated installations for residential or low-power applications (rice mills, water pumps).

But the telephone system has badly let down the talkative Bengalees. There is no point in waiting for two to three years and then pay Tk. 18,000 for a new connection — the highest installation charge in the world. The relaxation or benefit has been cleverly shifted to the small marginal market of mobile cellular telephones which only the microscopic minority at the top of the apex can afford. Where is the Awami spirit to encourage the private sector in this telecoms business?