

Reckless US Action

This is an utterly injudicious and irresponsible act the world order has been ignobly subjected to. What kind of an international community we are in where retaliation against a terrorist attack engineered by any group or a suspected individual takes on the monstrosity of a wanton display of vengeance by the world's only super-power? This is certainly not to condone the heavy-casualty bombing at the US embassies in Kenya and Tanzania a fortnight back. But to attempt to counter it in the manner it has been done by the mammoth of a military power the US is through firing so many cruise missiles at suspected terrorist locations in Sudan and Afghanistan is a dangerous trend-setter in international relations. If this is not arrogance of power, what is?

Great Britain did not avenge the IRA bombing at Omagh. But if countries trading charges of harbouring terrorist groups against each other were to follow the footsteps of the USA then what? Quite obviously retaliation will be the order of the day with the basic fibre of inter-state relationship torn asunder.

The Sudanese factory that has come under missile attack is very likely to be just a pharmaceutical industry. Not a chemical weapons-related factory it has been made out to be. Most probably all the 27 people who died in Sudan, according to the first reports, might prove to be innocent people as well. So, what was the point in such a hollering strike against a single individual named Bin Laden, a Saudi billionaire, alleged to have masterminded the attack on US embassies?

This reckless display of the US prowess constitutes an outright violation of some fundamental international norms and practices relating to the sanctity and sovereignty of national air-spaces. The US actions on Sudan and Afghanistan followed by its record of hostilities towards Iraq and Libya do create an impression of Washington's growing disenchantment with the Islamic countries. The Muslim world has reasons to feel provoked by this prejudiced US activism against it.

It is patently doubtful whether as a result of the US cruise missile attacks the terrorists have suffered any blow; far less a body-blow, but there is no question about the fact that they have been provoked further to persist in what they have been doing. As the only superpower in the world, the US was definitely expected to consult other UNSC members before acting.

JU Under Clouds

The news of alleged rape of three Jahangirnagar students on the varsity campus only comes to intensify a sinking feeling. From the safe custody of police station to the office of the NGO boss there is hardly any place left that has not been desecrated by this particular form of repression against women. Yet there lived this hope somewhere in our mind that may be the universities, highest seats of education as they are, will remain clear from the wave of perversity that seems to have swept the nation's imagination. After all they have over the years been such wonderful defences against all sorts of regression, repression and brutality. Well, there is no reason to harbour that hope any more. Today female students are raped at gun point at their own university campus. Is it anybody's idea of a free independent country? What kind of an university administration is that which cannot ensure the safety of the students on the campus? We have seen this before. Jahangirnagar university authorities have a flair for not being able to stand by the grievance of their own students. This is not only undesirable but also incompetence at its height. What has happened at Jahangirnagar university is nothing short of an organised crime.

Authorities there should not be at pains to admit that of late the institution has witnessed a serious deterioration in law and order within its four walls. The memorandum submitted to the VC by the agitating girls' categorically states that the goons who perpetrated the bestial acts have clout over the administration. It is immaterial if the criminals are from the pro Awami League student front or BNP's Chhatra Dal as it should matter little if they are related to some members of the university administration top brass. The point is they have to be found out and tried under the relevant law. The university probe committee must do a thorough job in this respect and that too without any unnecessary delay. Because the reputation of not only JU but also of all the educational institutions is at stake. It should be remembered that resorting to measures like the imposition of the sunset rule will amount to diverting attention from the principal crime. Punishing the culprits without fear and favour is the only way whereby a semblance of justice can be done to the lost sense of security and dignity on the campus.

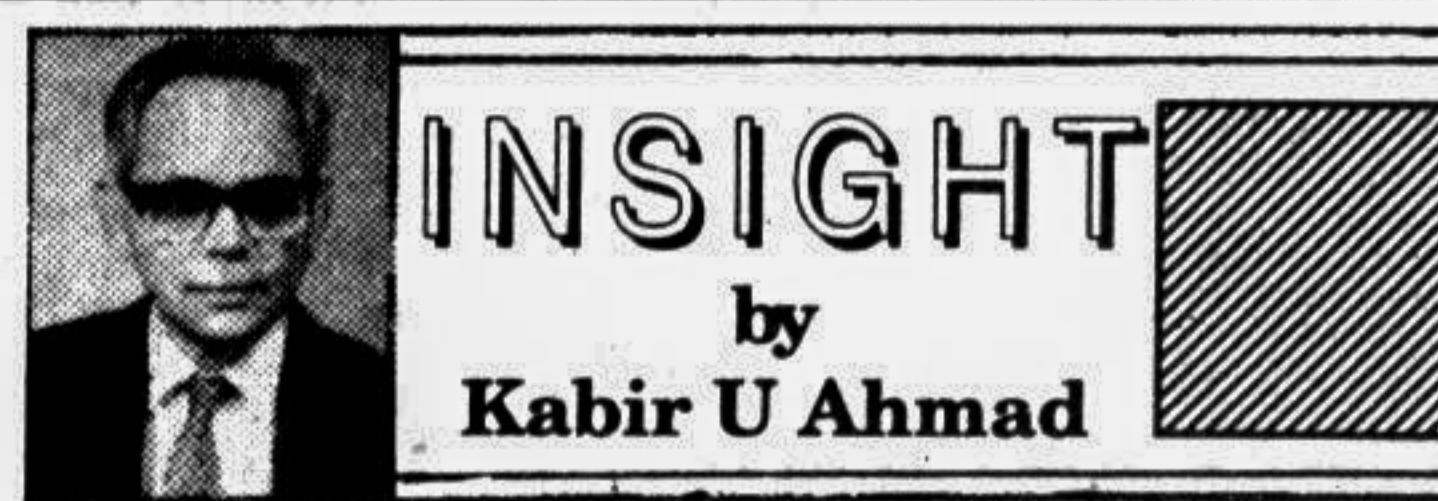
It Boils Down to Will

Myanmar's military junta is no nearer to a realisation of the immorality and danger of trying to stifle the movement for democracy in that country than it had been any time before. After having infringed on the rights of Ms Suu Kyi — the moving force behind Myanmar's struggle for democracy — in two infamous stand-offs, with the second one still continuing, the regime is now out on a propaganda campaign against Suu Kyi and her party NDL (National League for Democracy). The government controlled Press has called for Suu Kyi's deportation. Airing a call to declare NDL illegal it has accused her and her party of violating the country's law. Obviously this has been done to show NDL in a dim light and shift the focus from the real issue which is of course responding to Ms Suu Kyi's deadline for convening the parliament by August 21.

That the regime's frame of mind is not any different than what it was in 1990 when even though Suu Kyi's NDL swept the elections with a 82 per cent majority it refused to honour people's verdict is clear in the fact that it has ignored the deadline in the most brazen manner. Obviously, it is in no mood to call quits by listening to people's demand. It is now saying that since there is no constitution, there is no way the parliament can be convened. As the student leaders have said there is a constitution as old as of 1947. Isn't it under this constitutional framework that the 1990 elections were held? The crisis is not about a constitution; rather it is in the lack of a desire to submit to the is a crisis of not willing to submit to people's will. If there is a will there must be a way. Sooner the junta wakes up to that the better.

The New Export-Import Policy

The new FYEIP of the government provides a summary statement of all the trade liberalisation policies it has adopted so far and also the future direction of such policies for export development.



INSIGHT
by
Kabir U Ahmad

Export Targets		
Year	Target (in million \$)	% change (Year-to-year)
1998-99	5,630	12.15
1999-2000	6,340	12.61
2000-2001	7,175	13.17
2001-2002	8,100	12.89
(10 billion)		

Source: Commerce Minister's Press Conference, see The Daily Star August 6, 1998.

The government expects that the terminal year's export earnings could hit \$10 billion way above \$8.1 billion that it has projected for the same year.

Such a forecast raises a number of methodological questions about the basic forecasting model, but I will ask only a very simple one: what is the range of errors within which these forecasts are going to hold? Only official analysts of trade data can answer this, no one from outside can. But for an informed observer it is important.

However, for a simple comparison, it would be useful to get some idea of how actual export earnings behaved in the last few years. I will quote some data from an official publication (Bangladesh Economic Assessment, 1998, Ministry of Finance, Bengali Version).

The total value of actual export earnings in 1991-92 was \$ 1.9 billion (16.1 per cent increase over the previous year's earnings). In 1992-93 it went up to \$2.3 billion (registering a 19.5 per cent increase over the previous year). In 1993-94 it went up to \$ 2.5 billion (with barely 6.3 per cent increase). In 1994-95 it went up to \$3.4 billion (with 37.1 per cent increase). In 1995-96 it went up to \$3.8 billion (with 11.8 per cent increase) and in 1996-97 it went up to \$ 4.4 billion (with 14 per cent increase). The year-to-year increase in recent years, therefore, has not been a gentle and smooth — rather it showed sharp ups and downs. What justifies a gentle rising trend in the next four years?

Export Capacity Building

One certainly appreciates bold forecasts about future targets which exudes confidence but for sheer practicality, it is also important to see how export capacity can be built in the economy to meet those targets. I strongly support the tariff re-

duction policies of the government for importing capital machinery, industrial raw materials and spare parts which will create incentives among the existing and the potential entrepreneurs to invest in this sector.

But the productive capacity does not mean having only machinery, spare parts and raw materials, it also means acquisition of land to install the factory, regular and uninterrupted supplies of electricity, gas and water, technical expertise to operate, run and repair these machines when they breakdown. In the current state of power crisis, especially electricity and gas supplies, how would an entrepreneur summon up courage to invest money in setting up new industries? These issues have been taken up by the business community and some newspaper editors in their editorials.

Similarly, terrorism and extortionism by hoodlums and the inactivity of the police discouraging the entrepreneurs to set up industries have also been emphasized by the business community and some conscientious editors of the press.

Import Cuts by Domestic Production

There seems to be considerable room for cutting imports by promoting domestic production of some items like edible oil, yarn, fabric, cattle and milk etc. Some of these are matters of developing backward-linked industries like integrated textile mills for yarn and fabric by importing raw cotton and producing yarn or finished fabric. Similarly, by importing oil seeds, finished edible oil can be produced domestically rather than importing it in large quantities. Powder milk is imported and made into liquid milk for the internal market, the value-added of which activity is utterly low, somewhere between 5-10 per cent. There are some fresh milk supplying firms in the country which are competing successfully with the foreign giants but for some administrative difficulties these cannot maintain their regular supplies.

Similarly, there is no reason why Bangladesh farmers cannot grow cattle which are coming from outside in vast numbers. There is a need for appro-

appropriate lending facilities and some institutional assistance like veterinary services and feed supplies to the farmers which are not very difficult to provide. Such measures will create employment as well as save precious foreign exchanges. Some of these measures can be treated as "deemed exports" (like yarn and fabric etc.) while others (like cattle, milk and edible oil etc.) can be treated as import competing activities without any subsidy or protection.

The New FYEIP and the Cross-Border Trade

The new FYEIP does not represent the total trade situation of the country since it does not touch on the cross-border trade. The latter comes to about one-third or even more of the official trade of Bangladesh (based on The World Bank's Study, Bangladesh: Trade Policy Reform For Improving the Incentive Regime, October, 1996).

In a recent study by Dr. Atiur Rahman and Abdur Razaque (in The Daily Star, August 4, 1998) the scale of this operation may be much larger than what was estimated earlier. There are a few problems of payment that Bangladesh has to tackle. First, Bangladesh imports some items from abroad through official trade which are smuggled to India to pay for Indian goods which means that Bangladesh's hard currency is spent in importing these goods and India is getting these by paying in its own currency.

According to these authors this has come down now (although they have surveyed only five smuggling routes) but in a complete survey of all smuggling routes the picture may be different. Second, the hard currencies earned by Bangladeshi expatriates abroad are sent through Indian private channels (mostly Marwari channel)

which are used in paying for Indian goods smuggled to Bangladesh. This represents a huge loss of foreign currency to Bangladesh.

Third, Bangladeshis also pay in terms of gold at the border for Indian goods. These are most serious point for the government to come to grip with. Way must be found to formalise this cross-border trade so that government gets the hard currency of the expatriates as well as revenues from customs duties on the goods imported from India. Otherwise, it will remain a channel of leakages of hard currency for Bangladesh.

Conclusions

The new FYEIP of the government provides a summary statement of all the trade liberalisation policies it has adopted so far and also the future direction of such policy for export development. It will certainly encourage entrepreneurs to invest in the export industries, but it has not said anything about how to tackle the most difficult problems of export capacity-building, supplies of electricity, gas and water, transport problems, problems of constant interruptions of work at ports and railways, political strikes, and terrorism and extortionism which are crippling businesses and industries at present.

There are a number of backward linkage industries which can be treated as "deemed exports" and others which can be treated as import competing industries that can be developed without tariff protection. These will save scarce foreign exchanges earned by the country.

Finally, there is a need for integrating the "cross-border trade" with official trade to represent the total trade position of the country as well as to plug the loopholes of the country's trade. The latter has been taking place on a vast scale through which Bangladesh has been losing considerable amount of hard currencies and custom revenues.

Clinton's Visit to South Asia Hangs in the Balance

If President Clinton survives the present storm, it will be a prudent step from the US if the South Asian trip remains intact despite different problems because this will vindicate Washington's assertions that it attaches greater importance to this region.

THE planned visit of United States President Bill Clinton to South Asia now certainly hangs in the balance. Developments surrounding the personal life of the president and a shift in the perception of the American policy towards the region following the nuclearisation of the area have introduced elements of uncertainty in the visit that is to take place later this year.

For Bangladesh, the visit would have been the first by an American president to this country. Officials in New Delhi and Islamabad are hoping that the American president will go ahead with the visit since nothing has been heard on the contrary. Bangladesh also feels that the visit will go off despite the question mark on it.

When asked, foreign secretary Mustafizur Rahman said that there is nothing to suggest that the visit was in jeopardy as latest developments in the United States centering the president are entirely his personal matters.

"We are waiting to receive him," he said and his answer is very much on the line expected from a seasoned and articulate diplomat which he is.

But the reality is that the big question mark over the visit is not without reason and many diplomatic analysts like me will be pleasantly surprised to an extent if the visit finally comes off on the schedule. It is not meant to say that Mr. Clinton is unlikely to be here in October/November this year, but what is being stressed that a sea change has taken place when the visit was announced and the present circumstances. And this uncertainty does not stem from the controversies involving the president alone but also other basic foreign policy parameters of Washington that govern the policy towards South Asia.

However, there is no denying that when the President is personally at peril everything else becomes in a way less significant since Mr. Clinton as a person and his identity as the president cannot be fully diverse however personal is the nature of the debate. And in the process, the programmes of the president including his political agenda at home and itineraries abroad can be thrown into uncertainty.

The Monica Lewinsky episode is now the cynosure of all eyes no matter how the developments relating to this personal incident of the president is being interpreted in different circles at home and abroad. Certainly, the presidency has been imprinted with a mark of deception and betrayal of the trust as Mr. William Jefferson Clinton has changed the story

what he has been saying for the last seven months.

This has prompted call of resignations from the rival Senators and Congress of the Republican party and this call is not totally without an echo in his own Democratic party. Expectedly, Mr. Clinton has spurned such calls but the controversy over remaining in the office will haunt him at least

in the office. Even in recent past, Mr. Ronald Reagan disappeared after serving the two terms and seen as a very efficient president. Mr. Clinton is much younger and he will be only 54 when he is scheduled to lay down the office after second — and current — term of which he is now midway through.

He is considered as a successful president is because several

for some time till the dust raised by the issue settles down. If the situation aggravates which is likely to be clear in the near future. Mr. Clinton may find him increasingly vulnerable on a slippery ground threatening his political future and existence.

Theoretically and virtually, the active political life of an American president is generally over when he completes two consecutive terms regardless how successful he had been

leadership qualities. There are two conventional armours to face the onslaught: political stability, and concurrence at the national level of activities. We are still experimenting with cooked-up devices and subjective policies. Other supplementary support services have to be provided by a strong banking sector, a lean and dedicated bureaucracy, and re-learning the motto: "Service Before Self".

Water hyacinth floats and blocks the way, and cannot act as pilots. Entering the harbour provides relief when the berthing and anchoring are right and secure.

A Husnain
Dhaka

but currently the investors' climate is like the fluctuating weather forecasts before the monsoon: hot, humid and cloudy, with the sun playing hide and seek.

The factories are nearer home in Asia, and more and more work centres are springing up at home. It would be wiser to be mentally prepared for sagging home remittances, keeping in tune with the eroding Taka. The grass abroad is getting less and less green, as the driving economies seek more and more markets in rising South Asia, before the tigers spring back to wag the tails again.

The pre-2000 period is a time for stock-taking and revaluations. The tressome acts of the century's closing formalities have to be gone through during this transition period (symbolized by the YZK problem). Poor Bangladesh is rich in transition experience for over two decades. Time to limp out of the vicious circle, and pick up the baton in front. The race is to the swift.

The prodigals' return will set in motion prodigious exercises in homecoming reception and settlement programmes, now deceptively out of sight, and in bearing. We have the artless knack of being caught napping time and again.

This time we have to play the numbers game, and keep jingling the employment or unemployment figures, starting with the SOEs. The truant trade unions (CBAs) will not take kindly to the invaders from the first world, although not aliens, but very much our kith and kin. The 'second world' of waiting period does not exist in the Third World, dominated by the teeming unemployed.

Feeding the mouths is not enough; the feet have to march forward in formation, which hartial lessons do not coach. How to turn liabilities into assets? That is the litmus test for

to publicly express his disappointment.

It seems to me that the evil group in the police force is holding government in thrall. We have a police force of perhaps eighty thousand. I guess not more than a couple of thousands are vicious. Why should it be difficult to put these behind bars? Our Home Minister is sincere and hard working. He was in the Army but why does he hesitate to take prompt action?

Akber Kabir
Komorpur, Faridpur

HR in Turkey

Sir, What the military government in Turkey is perpetrating in that country in the name of secularism is a violation of the fundamental and basic human rights and the principles of democracy as well. In the matter of depriving the majority Muslim population of both their religious and democratic rights, the present government has surpassed any secularist or anti-Islamic government in the world.

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What art thou, HANA?

Sir, The people of Bangladesh were relieved when the signing of SOFA was refused. For once, as a democratic country the people voiced their opinion which was adhered to. But the arm twisting attitude of the superpowers cannot be overlooked.

Soon came HANA — old wine in a new bottle. The clauses of SOFA, with change of caveat,

turned to HANA. Do we need the US defence to assess the humanitarian needs, while organisations like USAID, Asia Foundation Ford Foundation (regional office in New Delhi) and the like under the umbrella of US office are present for such need assessment studies?

SOFA, HANA strategies hatched by superpowers are old tricks played on the underdeveloped, poor countries for past decades. The disturbing feature of HANA, MOU (that drew public attention) is, it reached the people of the People's Republic of Bangladesh a week later from the date of signing, that too announced by the outgoing US defence attaché. Why have our democratically elected leaders kept mum on the issue?

Should we suspect something fishy? Is it possible for the government to spell out the clauses in the MOU on HANA, or are we asking for too much?

Zaraazra
Dhaka-1207

Electronic banking

Sir, We congratulate Mr M Taheruddin's article on Electronic Banking, which is the need of the hour in Bangladesh. Foreign banks only are taking the lead in this service. As a retired government servant, it is a real nuisance for me to spend long hours at the bank branches for cash operation.

ATM service is a must. In foreign countries, I have seen how easy it is for customers of banks to go to ATM and draw funds in the evening after work and on festival days.

Please keep up the good work and urge all banks in Bangladesh to start ATM service for the benefit of small account holders like myself and many others.

A Khaliquzzaman
Kalabagan, Dhaka

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

On Railway: A clarification

Sir, Railway management's attention has been drawn to the editorial captioned "Railway's Looting Syndrome" published in The Daily Star of August 18. It has been stated that 3000 Railway coaches are lying uncared for at the yards of western zone of Bangladesh Railway, as reported by the Rajshahi correspondent of the daily. It is clarified that Bangladesh Railway has a total holding of 1332 coaches of which only 507 coaches belong to the west zone. Therefore, the information regarding 3000 coaches lying uncared for cannot be true. In fact, most of the 507 coaches of the west zone are being utilized in passenger train services.

We are grateful that a clarification from Bangladesh Railway has been sought in the editorial. It would however be appreciated if, before making editorial observation of this nature, Bangladesh Railway were given the opportunity to clarify the actual position so that the readers are not misinformed.

Mostofa-E-Jamil
Director/IPR
Bangladesh Railway

What about a peace pact by India?

Sir, Prime Minister Sheikh Hasina made herself a laughing stock by going to India and Pakistan to "mediate" between the two countries with a view to re-

The grass is no longer greener

Sir, The great decade of hitching jobs abroad may be petering out, judging by the economic indicators flagging in different parts of the developed and fast developing worlds. A section of the Bangladeshi workers in Japan have started leaving the island of the sun rather willingly due to worsening recession, and internally mismanaged economy. South Korea is no longer employment-friendly, and the Asian tigers cannot live on grass. Europe is watching the setting sun at home and the rising sun further East, while the ME is saturated development-wise, but rising politically (the latter happens, once the physical infrastructure is in place).

The rich do not remain rich when the funds are not mobile,

Raihanul Abedin
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