

Amartya Sen at 87th ILO session

Asian crisis - a penalty of undemocratic governance

By Suman Guha Mozumder

UNITED NATIONS, June 18: Nobel laureate Amartya Sen has said that democratic norms are essential to safeguard economic freedom as evidenced by the Asian crisis. In his address to the 87th Session of the International Labour Conference in Geneva, Sen said, "The problems of some of the East and Southeast Asian economies bring out, among other things, the penalty of undemocratic governance."

"The vulnerable in Indonesia may not have missed democracy acutely when things went up and down, but that they missed it when things went down and they were ineffective and the unequalled shared crisis developed. The protective role of democracy is strongly missed when it is most needed," he added.

Sen argued that political freedom in the form of democratic arrangements helps safeguard economic freedom and the freedom to survive. The security provided by democracy

may not be sorely missed when a country is lucky enough to be facing no serious calamity or when everything is running along smoothly, he said.

"But as a matter of fact, the danger of insecurity arising from changes in economic or other circumstances or from uncorrected mistakes of policy can lurk solidly behind what looks like a healthy state," he said.

This is an important connection, he said, to bear in mind while examining the political aspects of the recent so-called Asian economic crisis.

The conference, being held under the auspices of the International Labour Organisation (ILO), has been discussing the report by new ILO Director General Juan Somavia since June 1. It concludes on June 17. The report titled 'Decent Work' notes that globalisation has brought prosperity as well as inequalities which are "testing the limits of collective social responsibility."

Sen pointed out that an increasingly globalised world economy calls for a similarly globalised approach to basic ethics and political and social procedures.

The market economy itself is not merely an international system. "Its global connections run beyond the relation between nations: it is very often relations between individuals in different countries, between different parties in a business transaction," said Sen, who received the 1998 Nobel Prize for Economics.

He said capitalist ethics, with their strong and weak points, were part of a quintessentially twentieth century global culture, not just an international construct. "In dealing with conditions of working lives, as well as the interests and rights of workers in general, there is a similar necessity to go beyond the narrow limits of international relations: not just beyond the national boundaries but even beyond international relations into global connections," he said.

Sen, who highly lauded Somavia's work, calling it a "visionary report," said there is a crucial distinction between an "international" approach and a "global" approach and this distinction is often confounding. He noted that the beginning of a truly global approach could be readily detected in the analysis that gives shape to this important report.

Sen said that the process of economic globalisation is seen as a "terrifying prospect" by many precariously placed individuals and communities. "And yet, it can be made efficacious and rewarding if we take an adequately broad approach to the conditions that govern our lives and work," he said.

— India Abroad New Service

Japan Air cancels 21 flights as crew expand strike

TOKYO, June 18: Japan Air System canceled 21 domestic flights Friday as its flight crew union expanded their strike to protest cost-cutting plans, says AP.

The cancellations affect some 2,200 passengers, said Kyosuke Takeda, spokesman for the major Japanese carrier. No international flights were affected.

Since late April, the airline's 712 pilots and copilots have been opposing the management's proposal to contract out some operation to a subsidiary as a cost-cutting measure.

Until Tuesday, the airline avoided cancellations by staff flights with management-class pilots who are not allowed to join unions under Japanese labor laws, Takeda said.

With Friday's expansion in the strike, the cancellations became unavoidable, he said.

Filipino central bank cuts interest rates again

MANILA, June 18: The Philippine Central Bank will cut its key overnight interest rates by 0.25 percentage point on Monday to encourage banks to lend more money, in the 18th such reduction this year, reports AP.

The central bank said Friday that its overnight borrowing rate will fall to 9.25 per cent from 9.50 per cent, aligning it closer to the average yield of the benchmark 91-day treasury yield of 9.241 per cent. The overnight lending rate will drop to 11.25 per cent from 11.50 per cent.

The cut was at the higher end of the market's expectations of a 0.125-0.250 point reduction, with some traders saying this indicates the central bank believes the peso is fairly valued at its current level.

The dollar closed at 37.800 pesos Friday. In recent months it has traded in range of about 37.5 pesos to 38.5 pesos.

The central bank has cut its overnight borrowing and lending rates by 4.125 percentage points since the start of the year, when they were 13.375 per cent and 15.375 per cent, respectively.

The cuts are part of the central bank's strategy of releasing more loanable funds into the banking system. While interest rates have fallen sharply over the past several months, commercial banks are keeping credit conditions tight because of fears of bad loans.

As in past months, the cut in overnight rates is expected to lead to a decline in treasury bill yields at next Monday's government securities auction.

EU sets dioxin standards for Belgian milk

Singapore eases ban on European food products

SINGAPORE, June 18: Singapore has further eased a ban on European food products, allowing imports of products from France manufactured after June 4, the government said, reports AP.

The Ministry of Environment and the Primary Production Department "are satisfied with France's assurance that these products of animal origin produced in France are safe," a statement received today said.

The government earlier announced it had relaxed a ban to allow the sale of European food products manufactured before January 20, since the dioxin contamination in Belgium occurred only after January 19.

Apart from food from France, Singapore has also lifted a ban on products derived from livestock in Norway and Switzerland, and has allowed the sale of infant milk formula

manufactured in Ireland to be sold here.

Singapore on June 4 suspended imports of all European meat, eggs and dairy products as well as food made from them following the discovery of cancer-causing dioxin in Belgian chickens which may have spread to other European states.

A Reuters report from Brussels says: The European Commission attempted to clear up widespread confusion over the safety of Belgian milk on Thursday, setting thresholds to indicate safe levels of cancer-causing dioxin.

The new tests were approved by EU scientists late on Wednesday, and could facilitate milk exports by guaranteeing minimum standards have been met. However, standards are stricter than ones currently applied and could lead to less milk being available for export.

"Now the Belgians will be able to issue export certificates after having tested the milk," Commission spokeswoman Martine Richerts told the daily news briefing.

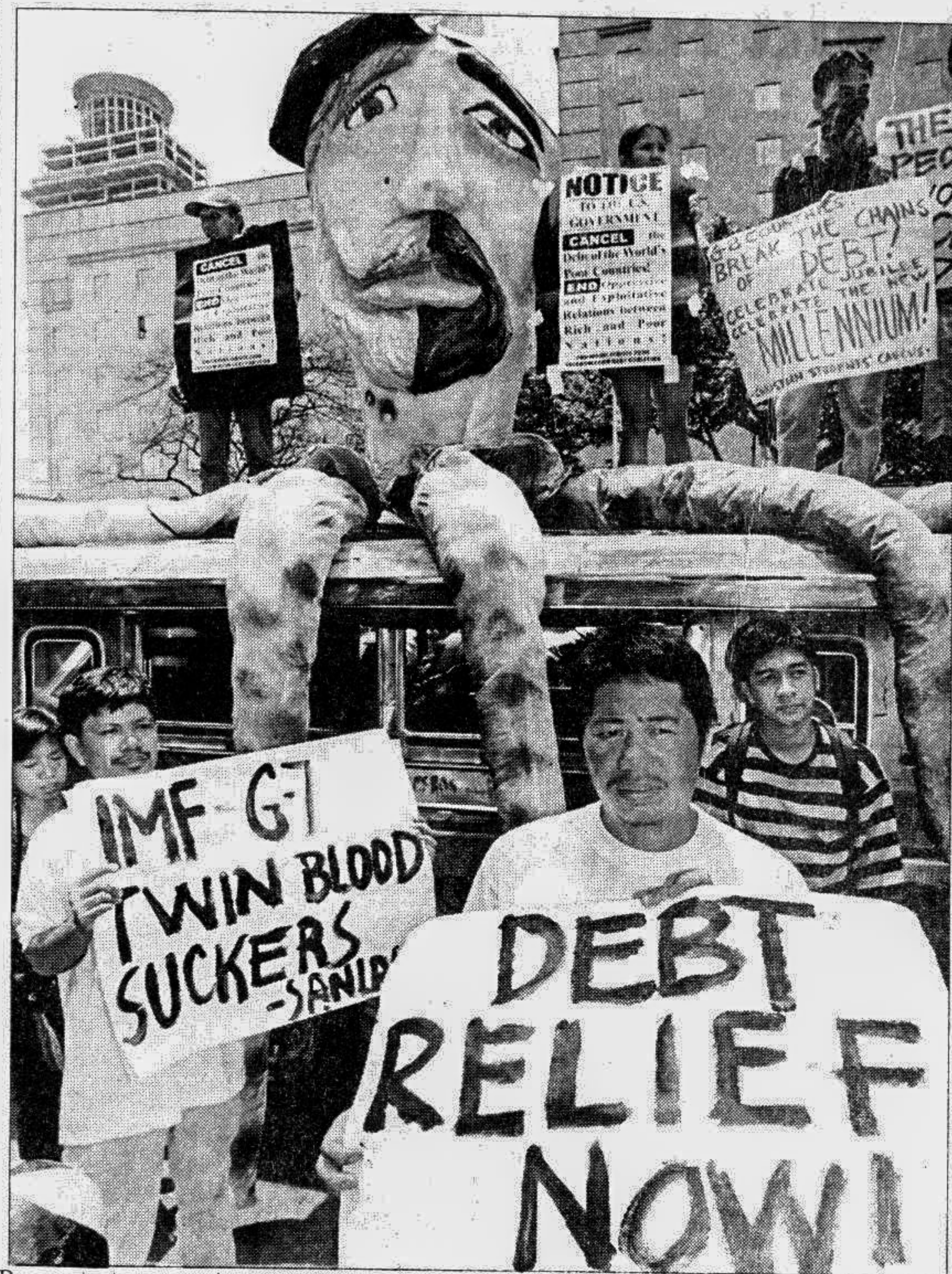
Exports have effectively come to a standstill since the crisis over dioxin poisoning in poultry, pork and cattle products erupted at the end of last month.

Belgium has consistently claimed its milk and dairy products — with the exception of butter — were safe to consume. It said milk, even if dioxin-tainted, would be diluted to such an extent as to make any contamination negligible.

It said its own scientific tests had shown no significant contamination. Europe's Farm Commissioner Franz Fischler said on Wednesday he rejected the dilution argument.



Kailash Satyarthi, noted Indian anti-child labour activist and head of the South Asian Coalition Against Child Servitude, addresses a press conference in New Delhi Friday. Satyarthi asked the Indian government to ban the worst forms of child labour. —AFP photo



Demonstrators carrying a giant octopus symbolizing US and Japan, rally outside the US embassy to call for the debt cancellation Friday. The protestors denounced the ongoing G-8 summit in Germany and called on its member countries to break the chain of debt. The protestors later marched to different embassies who are member countries of the G-8. The Philippines' external debt stands at 47.817 billion USD. — AFP photo

WTO members meet to end leadership row

GENEVA, June 18: Faced with a growing need to take decisive action, World Trade Organisation members met Friday in another attempt to unblock the appointment of a new director-general, reports AP.

The organisation has been leaderless since Italy's Renato Ruggiero left at the end of April. Weeks of consultations have failed to resolve the race between former New Zealand premier Mike Moore and Thai deputy prime minister Supachai Panitchpakdi.

Diplomats say they now face three possible options.

They could decide to carry on the discussions under the current conditions, trying to achieve consensus around Moore — the proposal originally made by WTO general council chairman Ali Mchumo in April. But Asian countries and Japan, who continue to back Supachai, seem unlikely to accept that option.

The general council could also decide to drop both candidates back on an equal footing.

After a period of discussion and consultation there would then be another attempt to make a consensus decision between the two candidates. But the WTO risks of putting the process back for months and then finding itself deadlocked all over again.

A third option is to open the race to new candidates. This could mean the return of former Canadian trade minister Roy MacLaren — who was one of the original four candidates for the post and has never officially withdrawn from the running — or it could mean entirely new names would be discussed.

WB to provide India \$411.7m for projects

NEW DELHI, June 18: The World Bank said on yesterday it would provide \$411.7 million to help India fund HIV/AIDS, water and education projects, says Reuters.

The Bank said in a statement it would extend India credit worth \$191 million to help the country carry out the second phase of a project to combat HIV/AIDS. The Indian government will supply the rest of the \$229 million project.

The Bank said it was also planning to give a \$135 million loan for an integrated watershed development project in the Himalayan foothills.

"The total cost is estimated at \$193 million, of which the International Bank for Reconstruction and Development will finance \$85 million and International Development Agency will finance \$50 million equivalent," the Bank said.

It said the Indian government would make up the balance. The Bank also said it would extend \$85.7 million equivalent of credit to the Rajasthan District Primary Education Project which would help 600,000 children, two-thirds of them girls.

Internet use surges in Japan

TOKYO, June 18: Internet use has surged to 11 per cent of Japanese telecommunications ministry's report found that Internet use was spreading in Japan at a faster rate than the proliferation of computers and cellular phones, taking only five years to hit 10 per cent of the nation's households, says AP.

It has taken 13 years for at least 10 per cent of households to have computers and 15 years for cellular phone use to top 10 per cent, the report said.

Internet use climbed 47 per cent in fiscal 1998, which ended in March 1999, compared to a year earlier, to nearly 17 million people.

The report, however, notes as a problem the violation of people's privacy and other crime on the Internet. It also

says that telephone charges for using the Internet in Tokyo are about three times those in New York.

Electronic commerce is also taking off, doubling in fiscal 1998 from the previous year to more than 166 billion yen (\$1.4 billion), the report said.

2 computer makers see profit recovery

An AFP reports says, Japan's Hitachi Ltd. and Fujitsu Ltd. are expected to see the quickest profit recovery among the country's top five computer and microchip makers thanks to their restructuring, a daily said today.

They are likely to post a group-level net profit in the first half to September 31, the Nihon Keizai Shimbun said.

The other top five manufac-

turers of computers and microchips, Toshiba Corp, Mitsubishi Electric Corp and NEC Corp, will not be able to crawl back to the black in the first half," the newspaper said.

The five companies all incurred a group net loss in the previous financial year to March, hit by Japan's worst post-war recession and the collapse of microchip prices worldwide.

The Nihon Keizai said Fujitsu would likely see a net profit of 10 billion yen in the six-month period, reversing a 13.6 billion yen (114 million dollars) group net loss in the past year.

Fujitsu will also post a five-per cent sales increase in the period, helped by its growing computer software and data processing business.

Weekly Currency Roundup

June 13-June 17, 1999

Local Market

Last week started with a general strike on Sunday called by the opposition. Through the week, demand for US dollar was moderate and the rate ranged between BDT 48.66 and BDT 48.68.

Cash US dollar traded in the higher range of BDT 49.50 and BDT 50 during the week.

The local money market was high, but stable during the week and call money rate ranged between 8 and 9 per cent. Bangladesh Bank accepted Treasury Bills worth of BDT 477.50 crore. Of them, BDT 308.50 crore for 28 days at the rate of 7.52 per cent, BDT 15 crore for 91 days at 8.49 per cent, BDT 14 crore for 182 days at 8.87 per cent, BDT 115 crore for 364 days at 9.39 per cent and BDT 25 crore for 2 years at 9.58 per cent.

International Market

US dollar started the week with a weaker tone against yen. But on Monday, the Banks of Japan resorted to dollar-buying intervention costing them around USD 5 billion.

It was assumed that the premature strength of yen which might put the slow economic recovery of Japan in jeopardy prompted the Bank of Japan to intervene. However to support this short-lived intervention, BOJ had to intervene again on Tuesday to achieve a short-run weaker yen objective. Meanwhile, bleak picture of the euro zone economies continued to be a bane for the single currency. Euro's recovery, against US dollar, which started the previous week, was proved ephemeral and it started sliding again last week. On the other hand, GBP lost some grounds against US dollar on market expectation of a further rate cut by the Bank of England.

— Standard Chartered Bank.

Government of the People's Republic of Bangladesh
Office of the Executive Engineer R&H
Road Division Dhaka, Banani, Dhaka
R&H Notice Inviting Tender

Sealed tenders are invited in Bangladesh Form No 2911

1. Tender notice no : 326/RD/1998-99.
2. Name of work : Work of widening of pavement of parts of turn on the 10th and 11th (part) km of Tongi-Ashulia-EPZ road under Kalyanpur Road Sub-Division during 1998-99 fiscal year. Head-266 C/A.
3. Estimated cost : Taka 23,98,700/-
4. Earnest money : Taka 47,974/- will have to be deposited in the form of BD/Pay Order/Protrakkha Sanchay Patra/Bonus Sanchay Patra from any scheduled bank in favour of the undersigned.
5. Time limit for completion of work : 45 (forty-five) days from the date of issue of work order.
6. Eligibility of contractors : 'A' to 'D' class enlisted with R&H.
7. Places of availability of tender : Divisional Commissioner, R&H Division, Segunbagicha, Dhaka/Executive Engr R&H, Road Division, Dhaka/Manikgonj/Munshiganj/Narsingdi/Narayanganj/Gazipur/Bridge Design Division-1 (Eastern Zone), Bridge Zone, Sarak Bhaban Dhaka/Planning & Design Division, Dhaka Zone, Dhaka/Sub-Divisional Engineer R&H, Road Sub-Division-1/2/Kalyanpur, Dhaka.
8. Offices where tenders will be received : Divisional Commissioner, Dhaka Division/Superintending Engineer R&H, Road Circle, Dhaka/Planning, Monitoring & Evaluation Circle, Road Division, Dhaka/Procurement & Monitoring Circle, Sarak Bhaban, Dhaka/Executive Engineer R&H, Road Division, Dhaka/Sub-Divisional Engineer R&H, Road Sub-Division-1/2/Kalyanpur, Dhaka.
9. Last date of selling : 23-6-99 till office hours.
10. Date of receiving : 24-6-99 till 12-30 PM.
11. Date and time of opening tender : 28-6-99 at 12-45 PM.
12. Date and time of lottery (if necessary) : 29-6-99 at 11-00 AM in this office.

NB: Officials in the offices to receiving tenders will receive tenders on the specific date as per tender notice and is requested to send the tenders in sealed condition by a special messenger in the office of the undersigned on an emergency basis.

Arifur Rahman

Executive Engineer R&H

Road Division, Dhaka.

DFP 13618-14/6

G-1156

Rajshahi University

Advertisement No. 19/99

Dated:

Applications are invited from Bangladeshi nationals for filling up one permanent post of Lecturer/Assistant Professor in the Deptt of Botany.

Scale of Pay:
Assistant Professor : Tk 7200-260-10840/-
Lecturer : Tk 4300-185-5595-EB-195-7740/-

Forms and particulars regarding qualification requirements may be obtained from the office of the Registrar by sending a self-addressed envelope with postage stamp worth Tk 4/- only. 9 (nine) copies of the application form duly filled in along with attested copies of all academic certificates with each application and application fee of Tk 80/- (eighty) in Bank Draft (non-refundable) in favour of the Registrar, Rajshahi University must reach the undersigned on or before 14.7.99. Candidates already in service must apply through proper channel. Incomplete applications will be rejected without reference.

No. 00659(2)/99/Bigga/PPP (14.6.99)
GD-545Registrar (in-charge)
Rajshahi University

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

চলচ্চিত্র ও প্রকাশনা অধিদপ্তর

১১২, সার্কিট হাউস রোড, ঢাকা

নং-প্রকাশনা-১/৯৯-২০০০/

তারিখ ১৬/০৬/৯৯

দরপত্র বিজ্ঞপ্তি

অত্র অধিদপ্তরের ৪ (চার)টি নিয়মিত প্রকাশনা ১৯৯৯-২০০০ অর্থ বছরে মুদ্রণের জন্য প্রথম শ্রেণীর অফসেট মুদ্রণালয় থেকে সীলমোহরকৃত দরপত্র আহ্বান করা যাচ্ছে। দরদাত প্রতিনিধানের একটি ডাবল ডিমাই, একটি ডিমাই, দুটো কম্পিউটার মেশিন (লেজার প্রিন্টসহ), প্রেট মেকিং ডাবল ডিমাই কাটিং মেশিন, ষ্টিং মেশিন দুটো, ডাবল ডিমাই পোষ্টার টেবিল একই কম্পাউন্ডের মধ্যে থাকতে হবে। প্রেস সরঞ্জামের তদন্তের পর যদি কোন ব্যতিক্রম দেখা যায় তবে দরপত্রের সাথে প্রদত্ত জামানত বাজেয়াপ্ত করা হবে। দরপত্র আগামী ২৯/০৬/১৯৯৯ তারিখ বেলা ১২টা পর্যন্ত গ্রহণ করা হবে এবং ঐদিনই বেলা সাড়ে ১২টায় দরদাতাদের সামনে (যদি কেহ উপস্থিত থাকেন) কমিটি কর্তৃক খোলা হবে। প্রতিটি প্রকাশনার সিডিউলের মূল্য টাঃ ৪০০/- (চারশত) মাত্র (অফেরতযোগ্য) হিসাব শাখা থেকে অফিস চলাকালে ২৮/০৬/১৯৯৯ তারিখ পর্যন্ত ক্রয় করা যাবে। দরপত্র খোলার তারিখে কোন সিডিউল বিক্রি করা হবে না। কোন কারণবশতেনো ব্যতিক্রমে যে কোন অথবা সমস্ত দরপত্র গ্রহণ বা বাতিলের ক্ষমতা টেন্ডার কমিটি কর্তৃক সংরক্ষিত।

মোঃ এনামুল হক

উপ-পরিচালক (প্রকাশনা)

ডিএফপি-১৩৯৫৪-১৭/৬

জি-১১৬০

সদস্য সচিব টেন্ডার কমিটি

World Gold Council says
IMF gold sale plan hurts poor nations

NEW YORK, June 18: Plans by the International Monetary Fund to sell gold to finance debt relief for poor countries are flawed and jitters about such sales have already hurt the nations they were designed to help, the World Gold Council said yesterday, reports Reuters.

"The recent fall in the price of gold as a direct consequence of the plans of the IMF, Switzerland and the UK to sell gold, has already lost these developing nations more than \$150 million in annual export earnings," the industry-funded WGC said in a press release.

"This is more than they stand to gain from the IMF's proposed sale of 10 per cent of its gold reserves."

The WGC said it had commissioned a study by independent economists into the effect of IMF sales.

It said the work, titled "A Glittering Future?", reports that for many of the world's highly indebted poor countries, or HIPC, embryonic gold mining industries are helping smooth

the transition from narrow agricultural export-based economies toward industrial growth.

"This process is now being threatened by the falling gold price," the press release said.

In addition to the IMF plans to sell up to 300 tonnes of the metal, Switzerland is planning to sell perhaps 1,300 tonnes, now that the country voted in April to abandon the gold standard.

Britain said on May 7 that it would sell 415 tonnes of its 715-tonne gold reserve in the coming years, starting with 25 tonnes on July 6.

Last week the price of bullion hit 20-year lows, coming down more than \$30, or about 10 per cent, since topping near \$290, just before the British news.

"At \$280 an ounce, projected export earnings for these countries from gold would total \$1.66 billion by the end of 2000," Gary Mead, head of research at the WGC, said in the release.