

## Water Management Issues

THE fact that the country had its first-ever water policy announced only last year and that the National Water Management Plan (NWMP) is not due before March, 2001 constitute a strong testimony to our indifference to such a vital issue as water management. Our collective apathy appears to have its roots in the misconception that we have plenty of water to be prodigal in its use. Against this backdrop, Saturday's DS roundtable on *Managing Our Water: Making Best Use of This Precious Resource* has certainly set an example of alternative thinking without being outrageously unrealistic. The panellists have primarily focused on dispelling our taken-for-granted attitude towards water, thereby rallying for its judicious use.

So far, the country's water resources have been primarily used to increase agro-yield potential. Such a unidirectional approach has indeed been successful—expansion of rice production has entailed reasonable economic growth. However, a number of other needs, like domestic, fisheries, navigation etc., have largely, if not completely, been ignored. With the population constantly on the rise, the importance of water management has grown manifold. It is indeed time for diversification to sustain economic growth. Diversification will mean channelling water to activities other than agriculture. Meeting the domestic needs of the ever-growing populace will be no lesser a challenge, either. Ground water has been, for many years, regarded as safe for human consumption. Increasing incidences of arsenic contamination, however, have altogether changed the reality. On the whole, as regards water resources, the country is not as comfortably placed as we would like to believe it is. The prospect looks increasingly murky.

There is no point in feigning that we have enough water to meet all our needs. On the contrary, it is time to take an objective look at the situation the country is in right now and formulate a plan that will hold us in good stead in the years to come. To that effect, it is imperative to devise ways and means to augment the water resources and ensure their optimum use. Rain harvesting, harnessing surface water for the dry season, striking a balance between use of ground and surface water, and other suggestions that have come up at the roundtable should be seriously weighed up. There are already quite a few effective measures drawn out in the water policy and, we are sure, there will also be a few in the NWMP; however, unless and until implemented, these will be nothing but mere words. The government must recognise that and show more activism on implementation.

## Lead-free Fuel Delayed

WRANGLE over tender process has reportedly delayed the import of lead-free fuel which the government committed to market from 1 July 1999. The government decision to import lead-free fuel ensued after high level of lead—eight times higher than acceptable—had been detected in blood samples taken from children residing in the metropolis. The recent studies by the Bangladesh Atomic Energy Commission showed that "at least 50 tonnes of lead are deposited annually in the air in Dhaka city." At certain points with traffic congestion, the air contains 463 nanograms of lead—higher than in Mexico City which is known to be the most polluted in the world. These observations were contained in a report published in The Daily Star on Sunday. By all accounts it can be safely derived at that Dhaka is one of the most polluted cities in the world and we are virtually living with our children in a gas chamber.

But the government appears unaware of the urgency of the matter and the damage being done to the public health, particularly of the urban population, by severe air pollution. The decision to import lead-free fuel was praiseworthy but the administrative snags that cause delays even in such an urgent and important matter of health of the nation cannot be condoned.

However, the most disturbing aspect of the report is the fact that the existing fuel with higher lead content will continue to be supplied in the market during the 'transition period.' The import of Octane-95 described by Bangladesh Petroleum Corporation as lead-free will not be available for marketing before August because of the delay in awarding the contract for import of lead-free fuel. According to experts Octane-92 is also not fully lead-free but has much less lead content than Octane-96 which is being used now.

A permanent solution should be found out to this serious problem of lead poisoning by rehabilitating the lead separator unit of the Eastern Refinery Ltd. as early as possible.

## Tasks Ahead

THE Flood Forecast Warning Centre (FFWC) came up with a rather assuring note Saturday that any catastrophic flood before mid-July is unlikely. The warning, however, seems comical when people of nine districts—Chittagong, Cox's Bazaar, Tangail, Sherpur, Rangamati, Khagrachari, Naogaon, Narsingdi, Gouripur and Bandarban—are already struggling against ongoing flood, caused by torrential rain water rolling down the hills and river bank erosions.

After the country had suffered the century's worst flood, Prime Minister Sheikh Hasina announced that an embankment would be constructed along the rivers Balu and Shitalakshya. Also three committees were formed in this regard. However, to our disquiet, it appears, no noteworthy initiatives have so far been undertaken to implement the flood mitigation projects. This let-it-go-when-the-calamity-is-over attitude and simply glossing over a decision inflict more harm to the people, who are prone to this annual calamity. Now, isn't it too late to act when the squall of fresh flood appears to be only two weeks away? By all indicators, it is.

What the government and other agencies concerned need to focus their attention on are, first, to monitor the areas flooded earlier on, and then, ensure that the flood shelters are prepared and that relief materials reach the distressed before the water hit the danger levels. We urge upon the government machinery to work on this with all earnestness to lessen the flood-time woes of the people. We also remind the authority involved not to be shortsighted as regards this yearly peril that merits immediate implementation of the projects undertaken earlier on; and strategies for post-flood rehabilitation and reconstruction should be drawn right now and implemented as soon as the flood waters recede.

## Budget Proposals for 1999-2000

### Some Comments

by M. Syeduzzaman

*The 'fiscal bind' in which the government currently finds itself has developed over the past three years as a direct result of the decision to set up a Pay Commission in 1996 and to raise emoluments of public servants thereafter... Without this the Finance Minister would have been less desperate to raise resources in whatever way he could, and without this the government could have avoided large scale borrowings from the banking system which has naturally raised eyebrows both within and outside the government.*

As far as I can recall never in recent years was so much 'agitation' and controversies raised about government's budget proposals as have been done this year. Much of it was unnecessary and avoidable.

The two issues which have raised most controversies are the estimated GDP growth for 98-99, and whether or not 'new' taxes have been imposed or proposed. As far as the GDP growth rate projections are concerned, much of the controversies and agitations went beyond proportions. The Finance Minister made it quite clear in the budget speech that the number (5.2%) was 'provisional'. In a discussion on the Budget at the Centre for Policy Dialogue, the Minister for Food and Agriculture mentioned that as the Finance Minister was delivering his speech, boro paddy was still being harvested in some remote corners of the country. We should, therefore, wait for the final numbers (in 2-3 months) about boro production. But it must be said to the credit of the Finance Minister that many of the proposed fiscal measures are in the direction of trade liberalization. Calculations also show that the anti-export bias in our trade regime will be reduced. These are welcome trends and consistent with the medium term priorities of our economy. What is disappointing, however, is that we have not seen a single word of appreciation about these measures from the critics of the budget proposals either inside or outside the Jatiya Sangsads. Similarly, we are yet to see a single constructive suggestion from those critics either for amendment or improvement of any of the proposals for stimulating the agricultural sector, the industrial sector and exports.

Having said these, I wish to point out that there are some risks in the budget submitted for 1999-2000, which need to be recognized. The Finance Minister has to remain alert with 'contingency' measures for absorbing or facing these risks if some of these risks do in fact materialize.

Involved parties were mostly engaging in semantics. To any knowledgeable citizen it should be clear what the Finance Minister meant, and I have no doubt that Mr. Saifur Rahman also understands what was meant. The Finance Minister could have made it explicit in his speech that he proposed no new type of taxes and that his proposals for raising additional revenue were based on rationalization, unification etc. (and in some cases reduction) of the existing tax instruments. Similarly, the matter should have been quite clear to the leaders of the opposition in the Jatiya Sangsads, and efforts to gain political mileage out of this issue have not, therefore, been very convincing.

But, there is room for improvement and clarification. Some of the fiscal measures, in their proposed forms, are inconsistent with traditional concepts and philosophy of taxation. If retained, these may lead to inconsistencies in classification of tax revenues and comparison of time series of income tax, fees, property tax, VAT, etc. Supplementary duties on some items, as have been pointed out by business associations, represent conflicting measures and will create new anomalies. There is room for correction in several areas.

The objectives behind proposed fiscal and budgetary measures as mentioned by the Finance Minister are indisputable and deserve strong sup-

port. These include, continued support to the agriculture sector for sustaining the gain achieved in the post-flood period, reducing the prices of raw materials and intermediate inputs to stimulate the industrial sector in general, and the textile sector in particular, stimulating exports, and creating a pool of resources for new investments in the private sector (industrial bonds). These are important measures for stimulating the economy after the worst natural disaster of the century and disconcerting slowdown in industrial growth and growth of exports during 1998-1999. I do not wish to reproduce the long list of the measures here. There is room for improvement and removing some anomalies. But it must be said to the credit of the Finance Minister that many of the proposed fiscal measures are in the direction of trade liberalization. Calculations also show that the anti-export bias in our trade regime will be reduced. These are welcome trends and consistent with the medium term priorities of our economy. What is disappointing, however, is that we have not seen a single word of appreciation about these measures from the critics of the budget proposals either inside or outside the Jatiya Sangsads. Similarly, we are yet to see a single constructive suggestion from those critics either for amendment or improvement of any of the proposals for stimulating the agricultural sector, the industrial sector and exports.

Having said these, I wish to point out that there are some risks in the budget submitted for 1999-2000, which need to be recognized. The Finance Minister has to remain alert with 'contingency' measures for absorbing or facing these risks if some of these risks do in fact materialize. First, the revenue estimation, which is bold (some people call it ambitious). I have no doubt that all out efforts will be made for strengthening the administrative measures for realizing the projected revenues. If there are shortfalls, plans should be ready for orderly reduction of expenditure. Second, the overall fiscal deficit is much larger than shown in the budget documents. The losses of the state owned enterprises and utilities are likely to exceed Tk 1000 cr. Financing of this will carry risks either for the budget or for the banking system. Third, the estimated receipt of Tk 152 cr. from privatization may not be realized. In 1998-99 total realization from this source is now projected at Tk 70 cr. against estimates of Tk 141 cr. Fourth, impact of the energy sector (power and gas) strategy and management on the budget and the balance of payments remain undiscussed and unquantified in the budget proposals. Fifth, pace of use of foreign aid under the ADP projects and its impact on the size of the ADP and on the balance of payments. Sixth, high interest rate on the proposed domestic industrial bonds (Tk 500 cr.) will raise the cost of lending (and may also act against the activation of the capital market). Pressure may generate for subsidizing the lending rate through the budget. I am not mentioning here the high level of interest payment on domestic debts which have grown steadily in

the recent years, and about which concerns have been rightly expressed from different quarters. On these 'risks' we hope the Finance Minister will make some reference in his winding up speech, so that government ministries and agencies are made to remain alert throughout the year.

In addition to the possible 'risks' mentioned above, the Finance Minister, we hope, will also deal in his winding up speech, with some gaps in his budget speech. These relate to price assumptions for the coming year, assumptions about monetary expansion next year keeping in view the deficit of the SOEs, the much expected rebound in private investment and productive activities in the industrial sector and their impact on the foreign exchange reserves. These three issues, alongwith implied movements in the exchange rate are critical for business planning by the private sector.

In the socio-economic context of Bangladesh, the sum total of policy measures should ensure basically three things: stability of prices, improving competitiveness of the economy, and increasing the productive capacity of the economy. The first is essential for maintaining social stability and confidence. The second is critical to the structural changes in the economy for raising the share of industries and exports. The third is the necessary prerequisite for ensuring sustainable growth of the economy. While the Finance Minister has rightly emphasized his goal for ensuring growth with price stability, price movements during the year remains uncertain and will depend on the totality of fiscal and monetary management. A number of proposed fiscal and trade liberalization measures will definitely improve the competitiveness for the economy and the Finance Minister deserves to be commended for this.

For expanding the productive capacity of the economy the public sector has to take the lead in certain critical areas, and the intention of the government is quite clear. But, government's ability to do so by generating public savings has been seriously impaired by its own past decisions. The 'fiscal bind' in which the government currently finds itself has developed over the past three years as a direct result of the decision to set up a Pay Commission in 1996 and to raise emoluments of public servants thereafter... Without this the Finance Minister would have been less desperate to raise resources in whatever way he could, and without this the government could have avoided large scale borrowings from the banking system which has naturally raised eyebrows both within and outside the government.

As a result of the distorted perceptions of the issues involved in Kashmir the self-serving bureaucrats like Ghulam Muhammed who won most of his way into the office of the country's Governor General paid more attention to the undeserving and hopeless case of Hyderabad than to Kashmir. In retrospect, when Sardar Vallab Bhai Patel, veteran Indian leader sent feelings about a possible give and take on Hyderabad and Kashmir, Ghulam Muhammed was learnt to have spurned the opportunity and carried on with his lucrative deal with Hyderabad's Nizam. One of the few richest men of the world, the Nizam weighed more heavily in Pakistani consideration under a bureaucratic leadership during those crucial days.

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While coveting a Muslim Kashmir Pakistan also welcomed the accession of Junagarh and Mandav whereas an overwhelming majority in these states were Hindus thus becoming victim to the dichotomy of her own policy. At one time Pakistan strangely held three divergent positions on the

## Pakistan's Missed Opportunities in Kashmir

*In a zero-sum game of Indo-Pakistan conflict in Kashmir each contender is expecting to gain at other's predicament. Historically however these losses and gains are not always proportional. India commanding not a shred of legitimacy among Kashmiri Muslims has been desperately fighting to preserve the status quo. Pakistan also continues to wage a halfhearted war fraught with 'private doubts, symbolic posturing and petty opportunism' to change that status quo without much success.*

**K**ASHMIR, for the Pakistanis, is 'an unfinished business of partition', a necessity without which their country is geographically incomplete and strategically the 'juggular vein'. While much of these contentions could have been their afterthoughts in 1947, the partition of India, the communal sentiments accompanying it and Kashmir's political economy linked to the West Punjab (the only pre-independence railway line to J&K linking Sialkot with Jammu still lies abandoned) made Kashmir a perfect case for its inclusion in Pakistan. In spite of the presence of a pro-India nationalist feelings fostered by Sheikh Abdullah and his National Conference Party, an overwhelmingly Muslim Kashmir duly influenced by the situation obtaining on the eve of the partition was apparently subjected to contrasting pulls. It was up to the contenders for the state to sway them in their favour. Pakistan neither had vision nor the skill to do it.

Both India and Pakistan, it is said, were given their independence on the platter without a single shot fired for its achievement. Yet the British exit from the sub-continent was far from automatic and had to be catalysed by a protracted anti-British movement. While spearheading these movements the Indian National Congress and its veterans already set the trends for future politics in the region and adequately influenced its public opinion. Muslim League, the standard bearer of separate homeland for the Muslim in India, was born in 1906 initially as a platform to voice the grievances of Indian Muslims and was no match to Congress' political network which was extended even to the important princely states like Kashmir and beyond. When Pakistan movement picked its momentum under Mr Jinnah in the mid-1930s the Muslim League hardly participated in the anti-colonial struggle and its politics remained confined to sharpening its demand for Pakistan.

Even if the dreamers of Pakistan had Kashmir in their vision for a future Muslim homeland they hardly had a game plan about how that Hindu-ruled princely state could eventually be drawn into Pakistan. The Muslim leadership was exasperated in



### PERSPECTIVES

by Brig (Rtd) M Abdul Hafiz

alienation of India is total but they also do not want be used for finishing 'unfinished agenda of partition' for Pakistan.

Mr Jinnah adopted a political approach in carving out a 'separate homeland' for Indian Muslims'. He was terminally ill at the time of partition and did not get a chance to employ his proverbial skill of reasoning for a post-partition dispensation of Kashmir. But his successors took an outright military approach to Kashmir issue will all its crudeness. Starting from the tribal raids of 1947 in its venture Pakistan showed little understanding of Kashmiri aspiration, its history and distinctive nationalisim. War may be the continuation of policies by other means in clandestine dictum but before waging the war there had to be some political initiative undertaken by Pakistan. Instead, her Kashmir policy had been conceived mostly in military term with however having no political and economic capacity to sustain a war to its conclusive phase. The illusions, blusters and miscalculations abounded in her wars over Kashmir and they resulted in defeats and stalemate. Pakistan's chronic failure in understanding Kashmiri psyche persisted even in 1989 when entire Kashmir rose up against India and offered Pakistan another opportunity to profit from the prevailing situation. In spite of Pakistan's massive help in stoking the flame of insurGENCY in the valley it ended in a kind of 'fatigue' and 'emptiness' on the part of Kashmiri militant only because it lacked a political understanding between the militants and its powerful patron across the border. Militancy in Kashmir will of course continue at its own steam and will be propelled by diverse dynamics of conflicts in a situation like one in Kashmir. But its internal organisation, administration and mission seem to be already disrupted in the absence of an over-arching political direction.

In a zero-sum game of Indo-Pakistan conflict in Kashmir each contender is expecting to gain at other's predicament. Historically however these losses and gains are not always proportional. India commanding not a shred of legitimacy among Kashmiri Muslims has been desperately fighting to preserve the status quo. Pakistan also continues to wage a halfhearted war fraught with 'private doubts, symbolic posturing and petty opportunism' to change that status quo without much success. Yet Pakistan as a party trying to break the status quo enjoys far greater leverages in Kashmir. Enjoying similar leverages the Zionists could create a Jewish state in a land where they had lacked all the attributes of statehood. Pakistan needs to have hard look at her Kashmir policy as to why she could not match even a fraction of that feat in half a century.

## To the Editor...

### The cost of higher education

Sir, There is a huge disparity (ratio 1:100) in the cost of education between a public and private university. Less than one per cent of the eligible students can afford to study in the private universities in Bangladesh.

This is creating an artificial cultural wall between these two sets of students who will run the country in the future. Although the tuition fees in the public universities are still absurdly low, having not been revised for decades (it should be raised marginally to meet the enhanced expenses of the centres of learning), some state policy mechanism is needed to reduce this disparity.

This is not an exceptional example. Similar economic disparities exist in some other sectors; for example, the real estate (high-rise buildings); private hospitals and clinics (the cost of treatment); private coaching centres, English-medium education.

The budget did not touch on

these disparities. A capitalistic free market cannot pay token priority to 90 per cent of the economically handicapped population while catering to goods and services. There are widening gaps between the upper and lower limits of the income and cost band. The situation calls for more than milking the luxury tax, and confer

ognized least developed country in the world. With the inheritance of thousands years of rich history and culture, are we posing to grab the title as the least civilized nation in the next millennium?

Dr M Ahmed  
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## Thanks to Dr Qader

Sir, The opinion given by Dr. A. Qader about the incidence in BUET published in the DS is very much clear and based on the fact. He has analysed the problem from its core and I, being an ex-student of BUET definitely agree with him. I think this opinion should also be published in esteemed Bangla newspapers like *Prothom Alo*, *Sangbad* etc., so that more people and guardians may know about the scenario. It is obvious because, even some of the university teachers opine that BUET teachers are doing excessively punishing the impersonation (I am a Lecturer in a Science and Tech. U).

May I add some facts with Dr Qader that this incidence also happened due to the fact that some recently opened departments which have less pressure than other departments where the students have enough time to create untoward situation.

M K Zaman  
Sylhet

## OPINION

### Rising Above the Number Game: Pitfalls of the ACR System

A Retd Government Servant

In his thought provoking article 'ACR: Pitfalls of the System' published June 8 in The Daily Star, the writer Mr M G Bhuiyan takes a legalistic view of the provisions of column 7(b) of the ACR format whereby the countersigning officer may award any marks he deems fit without having to show, or explain, how he has arrived at the same contrasted to provision in the same ACR form for the reporting officer to build up his award by answering as many as 25 questions. In the absence of necessary restraints, the writer finds such a provision quite unjustified and goes on to say that what was at best meant as 'moderating' powers (to moderate among the many ACRs put up to him) has been misunderstood and used to make arbitrary awards. One could not agree more.

In a not so different context, I would like to ask if the writer is aware that even with built-in safeguards some report writers also indulge in malpractice and make a mockery of the reporting system. They begin not by answering the 25 questions with an open mind but by first deciding the total of marks to be awarded to their 'pets' or 'eye-sores' and then distributing them among the columns. In other words, where good intentions are lacking, even the tightest format will fail to elicit the necessary response.

We want the high body of the Superior Selection Board (SSB) to rise above the narrow number game of the present ACR system. Marks in the ACR alone

should not dictate promotions. Instead, education, professional competence, independence of judgement, departmental recommendation and finally, performance in a viva voce need to be taken into account for promotion of officers to superior posts in the government. A good example is the method prescribed by the Cabinet Division and still used in the ERD and the Ministry of Commerce to select personnel for the economic and commercial wings of our embassies abroad. Finally, let the secretariat open up more to outside competition. More professional entry into our Secretariat is essential if we are to catch up with the world and modernise our government.

To come back to numbers, there is scope to review the marking