

## Finance Sector under Fire

**E**VEN before the sting of a scathing summation from the World Bank Country Director Frederick Temple upon completion of the mid-term review meeting of the country's development partners could be assuaged comes another salvo of criticism on our embattled finance sector. This time around, the critique in the shape of a report by the International Finance Corporation (IFC), an industrial lending affiliate of the World Bank, has gone to the extent of terming the country's economic and financial activities "fraudulent and ill governed, and highly regulated." The report also takes a swipe at the omnipresence of bureaucrats "in almost every area of the nation's daily life." Once again, slow progress in the finance sector reforms has come under fire. However, beyond the fiery facade of blistering criticism, the report by Mikael Kviback, a Swedish economist on the IFC, appears to have touched upon quite a few holes at the heart of our financial system that need to be plugged immediately.

Frequent bureaucratic interference in financial matters do act as an impediment to smooth functioning and, of course, growth of the country's economic sector. Apart from increased donor intervention at policy planning and implementation level, our finance sector is indeed bureaucracy-driven. One other major drawback certainly is fragmented and often overlapping regulatory role played by the central bank, the Security Exchange Commission and the ministry of finance. Such a riffraff arrangement has over the years weakened overall governance and the sum total has been a smothering phenomenon called default culture. To top that, there has been the lack of incentive and private initiative, definitely caused by regulatory incongruity. Increased FDI trend and positive economic progress, essentially induced by the robust growth of capital-intensive sectors like gas and telecommunications, may put forth a rosy picture; however, ever-shrinking capital market has the unmistakable indicator that something has gone terribly wrong.

Hopefully, the policy-makers would take the criticism heaped on the financial sector by the WB summation of the mid-term review meeting and the IFC report in good spirit and analyse them to figure a way out of the economic doldrums the country is in now.

## Blowing Hot and Cold

**T**HE government has been accused of blowing hot and cold insofar as protecting open spaces in the cities is concerned. Participants at a public debate on Wednesday over a draft bill to protect open spaces of cities criticised the government for trying to enact such a law and then going ahead with the construction of a conference hall at the Osmany Uddyan — one of the very few open spaces in the city. Minister for public works and housing defended the government position and even went to the extent of questioning the 'environment friendliness of some trees at the Osmany Uddyan. The minister told his audience about a number of measures that are being taken in the interest of the members of the public while other speakers pointed out that several clauses of the draft bill were not compatible with the democratic rights of the people. It was nice of the minister to have assured the audience that 'the law would be enacted in line with the suggestions received from the participants of the debate'. He has actually requested the Bangladesh Environmental Lawyers' Association (BELA), one of the organisers of the debate with the UNDP, to provide him with a compilation of the proceedings of the debate. Despite the environment secretary's assurance for 'closely looking into an environment law which will be helpful for a total conservation' some speakers cited 'instances of grabbing open spaces'.

People need open spaces in this growing city. Despite directives by the prime minister in the past to save the water-bodies at Gulshan these were illegally filled up with the help of a section of unscrupulous employees in Rajuk. The wishes of Rajuk chairman that the 'new law would greatly help protect the environment of the cities' will go in vain if the officials responsible for the implementation of the law turn a blind eye to the law breakers. It is not the law alone that can protect environment, rather the collective efforts of the guardians of law and the people at large are needed for it.

## Water Agony

**P**ROBLEMS do not come as surprise in Bangladesh. What surprises us is the unsustainability of a certain solution to a problem. This holds good about the current situation regarding power and water supplies in the metropolis. That a long-term approach has gone wrong was proved on Wednesday. Residents of Dhanmondi, Mirpur, Mohammadpur and some other areas suffered due to "load shedding" that led to a water emergency. Reportedly, the phantom of load shedding struck due to a sudden stoppage of generation at the Ghorashal unit-3. Surely, if the problem is not addressed, it would be difficult for the public to carry on with their everyday chores. If water crisis couples with load-shedding, the hardship is total.

Power shortage aside, the habit of wasting water, if calculated, would reveal huge toll on the reserve. The water-supplying agency must activate itself to make the users aware about it, and at the same time the authority must do everything in its power to ensure that unauthorised connections and wastage of water from the open nozzles are curbed. To do so, WASA has to improve its monitoring-cum-enforcement mechanism, if necessary, with the help of law enforcing people. For such basic utilities people pay through their noses. And, as tax-payers they are entitled to better services as well. So, please mitigate their sufferings.

# For a Protected Rice Market

**In the event of a free trade for rice, high-income food-deficit countries could overcome the scarcity by paying a higher price but it is the poor in low income countries who would bear the brunt of a shortage. The situation could further be worsened by the use of food as a political weapon to influence, by rich countries.**

for cereal grains will rise by 27 per cent and that of rice by 60 per cent propelled mainly by an increased population. In poor regions of South and South East Asia, rice demand would double within the next few years.

But supply of rice may not be at par with emerging demand. First, in the wake of globalisation, protection of domestic producer's interest could be a tedious task and hence could adversely affect sustainability of rice farming. Second, the magic of increased productivity by technological breakthroughs seems to have reached its full potential, especially in irrigated and favourably rained condition. "Nearly 40 per cent of the rice lands are subjected to droughts, floods and poor drainage which have been spurred by green revolution. Unless rice scientists succeed in developing appropriate high yielding varieties for these unfavourable environments, the growth in rice production will decelerate substantially in the near future." The competitive edge of rice farming is being eroded by growing scarcity of agricultural inputs — land, labour, water — which results from growing urbanization and industrialization.

If the supply is shorter than demand, the obvious outcome is a rise in price. One could argue

that rise in the marginal value products may provide incentive to farmers to positively respond through increased supply. But available statistics on supply response, especially for rice, tend to show small supply response. For example, a 10 per cent increase in price could lead to an increase in rice yield in the range of 0.4 to 1.8 per cent only. Again, this tiny response springs mainly from use of fer-

security in most Asian countries has been the strategy of self-sufficiency in the domestic production of staple grains. But food security can be maintained even without domestic self-sufficiency in production. Just take the examples of Singapore and Hong Kong. Both have very low domestic production but show a higher record of food security even when compared to those on the brink of food grain

market."

From this point of view, most of the East and South-east Asian countries appear to be in a fortunately comfortable situation. Growing economic prosperity in these countries raised the prices of land, labour and water to make rice production expensive — and readjust researches away from labour intensive rice production. A dynamic angle of the issue would need submitting few pertinent questions. For example, what will happen if every country abandons domestic production of food grains and release resources for more productive opportunities and thus resort to import to meet its food needs? There is an element of uncertainty in the world market adducible to thinness of the rice market. "Only 4 per cent of rice is traded in the world market compared to 20 per cent for wheat and 11 per cent for coarse grains. Variable natural conditions such as flood, drought and typhoon cause shortages and surpluses to occur from year to year, which produce wide fluctuations in marketable surplus and market needs and make the world rice market highly volatile."

Interestingly, the size of international rice market is equivalent to only 13 per cent of rice needs in China, and 8 per

cent of combined consumption of India and China. "If these countries decide to meet only 10 per cent of their rice needs through imports, the additional demand could swamp the world market. The volatility of the world market for rice was demonstrated by the surge in prices of quality rice during October 1993 to April 1994 in response to 25 per cent reduction in production in Japan due to abnormal weather." In the backdrop of such uncertainty looming large on the rice market horizon and considering the political costs of a failure to feed the populations, "Asian countries may find it in the national interest to maintain a safe capacity of domestic production of staple food despite the additional economic cost of pursuing this policy."

In the event of a free trade for rice, high-income food-deficit countries could overcome the scarcity by paying a higher price but it is the poor in low income countries who would bear the brunt of a shortage. The situation could further be worsened by the use of food as a political weapon to influence, by rich countries. It seems that governments of these poor countries will have to have come to grips with the domestic rice market through various ways and means. After all, rice price is the most important determinant of political and power stability in low-income countries of Asia. A full liberalization of the market for rice might not sound nice, at least in that gloomy situation.

## Beneath the Surface

by Abdul Bayes



tilizer and expansion of irrigation — the inputs which have been growing expensive with the withdrawal of subsidies and other anti-farm policy changes. By and large, the future may intensify a deceleration in rice demand — with accelerating income — but the deceleration in supply could even be steeper to cause a demand-supply imbalance in world rice market.

According to available researchers (e.g. Mahabub Hossain and Jikun Huang), the traditional route to sustain food

self-sufficiency. Malaysia imports 40 per cent of its total rice needs. Therefore, to feed the population well, a country does not need to produce well. For food security, food self-reliance is the key. "It requires a favourable export growth at the national level that permits deficit countries to import food from surplus countries that can produce at a lower cost and at the household level generate productive employment that provides adequate income to acquire the needed rice from the

# National Service

**How does "national service" help the individual? Such service is a great equaliser... In the same uniform, in the case of boys living in the same accommodation, eating the same food, facing the same physical and mental hardships, a comradeship develops that can never be inculcated or taught theoretically or in any classroom.**

## AS I SEE IT

Ikrar Sehgal writes from Karachi

School (OTS). Those who qualify OTS should be posted to an infantry unit to serve out their remaining three months there or sent for specialist training courses as per their option, such as Armour School, Artillery School, Anti-Aircraft School, etc. On the other hand, those who do not qualify or opt for OTS should serve 6-month in some unit, whether it is infantry, armour or artillery for six months forming a separate company, squadron or battery respectively as the case may be. During the last three months they will return to their communities reporting to their Local Bodies for Community Service.

After the 3-month basic training period in which they would not stay in any camp but in their own homes, the girls who are found fit (and opt for) can do a short officers training course for nurses. For the rest the options would be to go on to through either a nurse-training course or a primary education-training course for a period of three months. Both areas are of great concern to Pakistan. We need trained cadres in such disciplines. Thereafter, they would do community service for six months (for the balance of the

service left) in or around the vicinity of their homes.

How does such "national service" help the individual? Such service is a great equaliser as is envisaged in Islam, as the basis of relationship between human beings it inculcates mutual respect, trust and confidence. In the same uniform, in the case of boys living in the same accommodation, eating the same food, facing the same physical and mental hardships, a comradeship develops that can never be inculcated or taught theoretically or in any classroom. A large percentage of the boys' group must do their basic training in provinces other than their own; this by itself is a major education and will promote provincial harmony. It will develop the character of the individual besides instilling discipline into him or her. For boys it gives the chance to become officers and earn reservist pay that will help them financially in getting them through college.

In fact some colleges can be established by and run by the Army, giving higher education on scholarship to the most deserving among them. Boys also get a chance to spe-

cialise as reservists, whether armour or artillery, etc. Nursing is a must profession for girls because it teaches not only the basics of health and hygiene but also teaches the economics behind population control to would-be mothers of the future. Similarly, girls who opt to go into primary education will find it rewarding to teach something of substance to the unfortunate children who are not rich enough to get adequate education, both theoretically and practically. The level of primary education will come up. This will create a better base for middle level and higher education in the future for students.

Besides the major element of national integration, the national benefits from gaining a universal corps of trained, second line reserves for the Armed Forces, back-up nursing personnel not only for hospitals all over the country in case of war but trained cadres ready for service as required in every community in the country. At the ab-initio stage it gives practical training to the young of our nation in leadership, discipline, man management, etc., besides making them trust their compatriots and instilling self-confidence. In time, those within Local Body units will be united in protecting those in their own localities whatever their race, religion or creed.

At what stage should the "national service" be made compulsory? And for whom? National service should be compulsory for students of both the sexes who have passed Interme-

diate or equivalent i.e. at about 15-16 years of age. This age is also just before the legal age for marriage; this play may be used by some parents. Obviously one does not want to affect the study/career of brilliant students, as such the top 25 per cent in case of marks in each Board will be exempt unless they themselves opt to do the service. To facilitate entry into college later for those who have successfully completed national service, they should be given extra 10 per cent marks to their overall total. All those who have done national service and qualify for college will be given free/nominal-fee education in college.

Who will control the vast national service? Obviously the management on such a vast scale must be in the hands of the Army, but almost maximum of the staff managing the concept should be retired officers, JCOs, NCOs, etc., including those who run the basic training courses. A whole new organisation, a National Service Guards, should be created, that would oversee and manage 'national service'.

Within the confines of an article in a newspaper (1200 — 1500 words) one can only touch on the basic outline of the concept, its objectives and management thereof. The idea can be fleshed in many hundreds of ways. Other sectors/disciplines can be included after a detailed study by a Task Force. As a constructive initiative, it should be in the manifestos of political parties genuinely concerned with the state of disrepair in morale, institution and above all, unity. One thing is vital for this country, that national service be initiated immediately to safeguard the integrity and unity of Pakistan.

## 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.

### We are appalled

Sir, I agree to the editorial, "Too Serious for Partial Disclosure" published in the DS on (October 6, 1999). We are indeed disturbed to hear that there was a plot to assassinate the prime minister. If any such conspiracy has truly been hatched, we demand that the names of the culprits be disclosed immediately. We hope, the home minister would do the needful for the security of the PM.

However what we fail to understand is: why did the home minister suddenly announce that there was conspiracy to assassinate the PM? And why not further details about the scan.

His announcement was certainly unwise if this was done only to gain a political mileage over the opposition.

Sajfur Rahman  
Dhaka

### The courting of Bangladesh

Sir, With Bangladesh occupying a strategic position in the map of South Asia, it is natural that several foreign powers would be courting this country or keep an eye on her for the advancement and enhancement of their own long-term interests in the region.

China is seeking the creation of a trade zone comprising Myanmar, and the latest news is that there might be some possibility of acquiring some Chinese fighter planes (DS Oct 6). The delegation from Myanmar has just left Dhaka promising the resumption of increased trade. Then there is the MIG mystery (Russia). The USA is looking for a monitor-

ing base in the region. And, of course, big brother India cannot forsake her little sister.

These strategic interests increase the bargaining power of Bangladesh; and she must play her cards carefully, and not hurriedly, in this power game. Infrastructural support and services are no problem, once the offers start pouring in. The timing of the latter have to be noted carefully, because, in a game of political chess, anticipatory moves are well calculated in advance, for periods which might go beyond the near future phase.

Abul M Ahmad  
Dhaka

### Congrats to the football team

Sir, All Bangladeshis sank in a sea of unprecedented euphoria as Bangladesh football team won the 8th SAF Games gold medal. After more than 15 years, Bangladesh boys have won such a victory. I am out of words to express my profound joy at this wonderful achievement and wish to thank the team, their coach, the manager and of course the Bangladesh Football Federation for their respective contribution towards the victory. I pray to Allah that our football team emerges as a very formidable contender in the future international soccer events.

Our football team must take this victory not only as a great honour but also as an encouragement to move ahead in their victorious journey towards the 9th SAF Games to be held in 2001 in Pakistan.

Adib Reza  
Paribagh House  
Dhaka-1000

### Which is important?

Sir, The print media reported that, throughout the country, people celebrated our football team's victory over Nepal in the SAF Games in Katmandu. I, myself is one of those celebrating crowd people.

But what, actually, are some questions: Can we maintain what we have just achieved? Which is more prudent to play? Football, or cricket?

Shibee  
Dhanmondi, Dhaka

### Ershad Shikdar

Sir, The anticipated Ershad Shikdar's confessional statements to the police might reveal information which might cause discomfort to a number of public personalities. It is reported in the press that the Awami League has already briefed the police on the alleged collusion of some of its members with this notorious figure.

The public need the assurance that no attempt is made by powerful vested individuals or groups to suppress any information vital to public interest.

AZ  
Dhaka

### Dhanmondi Bridge

Sir, I need to cross the Dhanmondi No. 8 bridge almost every day to reach my college, and I am sorry to say that the journey is not at all a pleasant one, as traffic jam is regular on the roads linked with the bridge. All the cars and rickshaws need to wait for at least ten to fifteen minutes everyday during the pick-hour just to cross the bridge.

The contract of building the bridge on Road No 32 and Road No 8 was given at least one and a half years ago. But the bridge is not completed till today. The temporary bridge, built on Road No 32, was damaged badly on 21st September due to heavy rain, which now creates more traffic jam on Road No 8. People living in and around Dhanmondi need to face huge traffic jam every day. The government has a responsibility to finish this project as soon as possible. How long do we have to suffer? I

would request our PM to visit the bridge of Rd No 8 during pick hour and see the difference.

Rizwan Hussain Jabbar  
A'Level student  
Dhanmondi Tutorial

### 'Take a Number'

Sir, In the West, where one is to wait for his turn, instead of standing in a queue. He picks up a numbered card. Such cards are kept serially in a stack under the sign reading — "Take a Number." By holding that card, one gets his chance after one serially before him, clears the counter/desk/booth and his number is announced.

He then is to present his card as proof. If the called number does not respond, then the next number is called. Cards so returned to the counter are again placed in that stack for next users. It is similar to the token system used in banks for cash cheque, with a difference that this card is cheap and available for general waiting; where token is issued against a cheque. Numbered card is used generally where processing individual case needs considerable time (viz. preparing individual voucher, walk-in interviews etc). But where transactions are made prompt and situation of "first come first served" stock last" and "miss the bus" exist, there queue option is used for obvious reasons. Waiting (for anything) makes people bored, restless and irritated. On the other hand, "Take a Number" system makes waiting easier and hassle-free. It also removes the usual scene of clustering near a counter in a bid to attempt an unfair means. The "Take a Number" system allows "free to go anywhere" option without causing other's inconvenience. So, while waiting, one can easily go for other urgent work. This system is tested in other nations, but not here. I hope, banks, tax collection point, bill collection counters, educational and training organisations and the like would introduce it. Because the benefit is manifold compared to its insignificant cost.

AR Choudhury  
Uttara, Dhaka

# A Tribute to Hasan Sayeed

by Anis Ahmed



Hasan Saeed or Saeed Bhai was not my teacher or a friend in usual sense. Senior to me by almost one and half decades, he was one of the few journalists I really admired and respected.

This is not solely because he was an eminent journalist but partly because he used to greet me with a very personal touch of love and affection whenever we met. He talked softly and asked about my problems that he would have perhaps known. He discussed my work and professional things as we both worked for international media, and had often joked about our smart competition. He was a truly professional in all his self. He hated talking politics, picking at others or showing himself bigger than what he was.

After he retired from AP I once asked him what he was planning to do for rest of his life. He said he had many wishes including writing as a freelancer and projecting whatever he thought needed a bash. But he said he was not fully decided yet.

It was only in my last conversation with him, hardly ten days before the cruel but unavoidable death struck him, that Hasan Saeed told me about his plans. He came to Reuters office and chatted for an hour. Before leaving he said he would come back but Almighty God had different plans for him. Saeed Bhai said his last wish

was to establish a truly professional news agency in the country that would hopefully set a new trend in the country's journalism. He said he felt sorry by the poor state of journalism and the growing trend of compromising professional ethics by journalists in Bangladesh. But he also doubted if he would be able to accomplish his mission. "I am toying with a mission hard," he said.

Asked what he planned for himself, he said he had nothing to worry. "I earn a monthly retainer from the Dawn (in Pakistan) that should be good enough for myself and your bhabi. My sons are working and they can very well support themselves. Last of all, I don't need their (financial) support except for their care at the old age," he said.

"This sense of self-confidence has relieved me much. Besides working for the news agency I am contemplating. What else do you need?" he said. He talked about his long years with the AP, and wished to hold the standard of international journalism high in his absence. "I tried my best and I feel contented."

He said he had the plan for his state-of-the-art news agency rolling and hoped to see some progress when he would return to Dhaka from a trip outside the city. He returned on Tuesday but to meet the death awaiting.

I am sure that closer friends would have much more to say about this legend and towering personality. But I would like to record my very deep condolences and tribute for the most amiable man I have seen in my profession.

May his soul rest in peace in heaven.

The writer is Bureau Chief, Reuters, Bangladesh.