

Budget 2000-2001: A Critical Appraisal

It should be most uninteresting on the part of a tax paying citizen to notice that while the government due to inefficient management of the public exchequer during the current fiscal, has already borrowed several thousand crores of taka from the commercial banks, it also seeks to open a permanent provision through the parliament to borrow from the banking system again in the coming fiscal.

by Nitai C Nag

UNFORTUNATELY for the nation, controversy surrounding the recent budget has seemingly surpassed all proportions. The incumbent finance minister has engaged in a quarrel in which each questioned the other's qualification as regards making a budget. Although a typical citizen is almost accustomed to not expect any good news from the rituals that pass in the name of placing national budget in the parliament, such acrid engagements simply add to his already huge inherent deprivations. By among others, lowering morale, he is ideally supposed to take lessons from how dignified personalities behave. In what follows we try to point out why reason looks so short in supply in the corner concerned, and also make a few comments on certain aspects of the recent budget. We begin with issues on trade policy which we hope will provide some explanation as to why the otherwise dignified personalities had to be so unkind to each other.

Tariffs on International Trade

In his budget speech the finance minister complains that rapid tariff reduction in the first half of the 1990s, rendered sick thousands of industrial units, which in turn swelled the volume of default-loans in the banking sector. Since the present government is in charge of sorting the problem, said the minister, it is behaving pragmatically, not whimsically, about the country's economy vis a vis globalisation. In a few post budget speeches the minister also hurled terse replies to one ex-finance minister's terse criticism of various aspects of the proposed budget.

The statement cannot be accepted on face value on the following grounds. First, according to public accounts, rapid tariff reduction commenced in the first half of the 1990s but in the second half of the decade that preceded it. For instance, in 1986, number of tariff slabs was lowered to 11 from 24. Maximum tariff rate, which used to

be over 400 per cent prior to 1986, was reduced to 150 per cent in 1987 and further to 100 per cent in 1990. In 1996 when the present government assumed power, maximum tariff rate was 50 per cent. In 1999, maximum tariff rate fell to 37.5 per cent. Also, in the proposed budget tariffs on industrial raw materials and intermediate products have been significantly reduced "despite negative revenue implications". One wonders what the present finance minister would do about tariff reduction had he been in charge of the job in the late 1980s when rates and slabs etc. used to be as high as already mentioned. In other words, one might think that while the present government is carrying forward the same "import liberalisation" agenda of its preceding one, which in turn inherited it from the earlier "autocratic" government, the minister's complaint is not quite tenable.

Secondly, if thousands of industrial units turned sick due to faulty trade policy pursued by the government of early 1990s, the present government too should share the same blame since nowhere in the industrial sector there is visible any sign of reversal of the process despite what the finance minister calls his government's pragmatic handling of the matter. The marked sloth of industrial sector growth in the recent years is but a testimony to this point.

Thirdly, Bangladesh's external trade did not have to wait, until the setting in of globalisation, to be made liberal. Thus, although the government of early 1990s committed for a few of Bangladesh's traded items "market access" and "na-

tional treatment" to the external trading partners, those commitments assumed relevance only since January, 1995. "Import liberalisation", on the other hand, saw its vigorous beginning still a decade earlier. Why? The minister should certainly be aware of the answer. Just at the behest of the leading external donors the government of late 1980s started the process which continues virtually unabated to this day.

So, there is simply no qualitative difference as far as management of trade policy is concerned between the current and former governments. The better is it, therefore, for public the more the minister, incumbent and ex-remember the matter while making public speeches on the subject in question.

Agriculture

It is partly to the government's credit that foodgrains production has already nearly reached the previously envisaged target production of 25 million metric tons for 2002. Some reports even claim that Bangladesh is now a food surplus country. Reassuring though, such reports need not provide one excessive amount of complacency, for, considering the teeming mouths it still remains but a Herculean task to consolidate a state of surplus. From such reports, we believe, the nation will benefit most to learn what the difference between a time being surplus and one that may be sustainable in the long run, is. Close monitoring of delivery of the public services, such as, distribution of credit and fertilisers, and public procurement thus remains crucial. In all these areas, farmers reportedly continue to suffer deprivation de-

spite, what is now widely believed, the above average efficiency with which the ministry concerned of the present government has so far performed. A budgetary provision of subsidy on fertilisers alone will not be just enough in this regard.

Since food does not mean foodgrains alone but also other items such as lentils, milk, sugar, oil, fish, meat, vegetables, fruits, etc. whether budgetary provision bless or curse these sectors must also be looked into. Excessive stress on foodgrains supply alone has already created, reportedly, significant set-back many of them. The national budget remains silent on this issue.

To make matters worse import duty on milk powder has been proposed to be reduced remarkably. As reason the budget document mentions that domestic milk-based industry should expand to help economic development. This argument, we suppose, is a wrong and totally unacceptable one. In addition to the health risk associated with imported milk powder, domestic milk producers are also substantially losing due to these cheap imports. It may be mentioned here that those nations which sell these powder to us, themselves in general heavily subsidise agricultural sector in general and the dairy sector in particular. Curious citizens thus could suspect the very intention of the government to this regard. We appeal to the government to withdraw this proposal.

Deficit Financing

It should be most uninteresting on the part of a tax paying citizen to notice that while the government due to inefficient management of the public ex-

chequer during the current fiscal, has already borrowed several thousand crores of taka from the commercial banks, to whom interest and principal will be due soon with all its inflationary implications. It also seeks to open a permanent provision through the parliament to borrow from the banking system again in the coming fiscal to meet its obligations, which in turn include projects allegedly of "questionable merit", that is, those which can well be dismantled to the poor nation's benefit.

Also with the external sector's position not being as stable, imports far outstripping exports — the latter in turn having experienced significantly lower growth of late — the apparent public extravagance can hardly have any justification. Management of any likely crisis in the external sector has become particularly difficult now-a-days since the government can no longer exercise free hand to recourse to trade-restricting policies committed since it is to reforming the economy. Even devaluation, according to studies, is likely to expand budget deficit.

So, during any likely event of crisis management only the most urgent areas of public expenditure, such as health and education, are to suffer the brunt. Also credit to the private sector could be further squeezed.

Already quality of service in the public sector hospitals is simply unspeakable. Publicly run colleges, many giving post graduate level courses, can be found to be running with scores of posts of teachers going vacant for years. The latter is despite "highest" budgetary allocation being made to education sector

every year.

Concerned citizens thus are likely to become increasingly disconcerted about the government's management of the economy. In particular, the extent by which (about 39 per cent according to the revised budget) budget deficits exceeded the originally projected figure in a year which the government itself describes as being a good one with above normal rate of economic growth, no necessity of food imports etc must trouble any sensible person.

Saving and Investment

A good news about the economy is that national saving rate has significantly gone up in the recent past. What role the publicly sponsored saving schemes have played in this regard cannot be resolved off hand. Some empirical studies of course point out high correlation between interest rate and aggregated deposits in banks and other saving schemes. Still, interest rate reduction on saving instruments is theoretically a sound move since the ongoing interest rate on bank loans, which in turn also depends upon rates on various deposits, is too high for starting almost any business. But the pertinent question in this regard is whether reduction of rates on saving instruments will positively affect investment via reduced lending rates. There unfortunately are so many reasons for one to be but cautiously optimistic about the matter. In the first place, the industrial sickness syndrome, which, according to the finance minister himself has set in due to rapid trade liberalisation, is unlikely to be remarkably improved upon through this measure alone. One will of course remain curious about whether the very intention of the government in this regard is to realise a higher investment scenario or it wants to economise on its resource considering particularly the fast rising public debt with the government's large scale borrowing from the banking system.

Woes of World Trade Outsiders

The poor members of the WTO are caught in a vicious cycle, reports *Associated Press* from Geneva

RENALD Clerisme is the first to admit he doesn't always understand what's going on at the World Trade Organisation. How can he, when he can't be everywhere at once?

Clerisme is head of the Haiti delegation to the world's top rule-making body for trade. He's also the entire delegation. Haiti, with seven million people, is one of many poor countries that lack sufficient representation in an organisation whose decisions influence commerce, consumer prices and jobs around the world.

In contrast to rich and powerful nations whose WTO delegates take limousines to work and have staffs of two dozen or more, representatives from places such as Haiti are poorly equipped to fight for trade rights.

Clerisme (pronounced cler-iz-MAY) works from an office above an appliance shop in a shabby quarter of Geneva about a one mile (1.6 kilometre) from the WTO's lakeside headquarters.

The Haitian delegation doesn't have a car. So while European Union Ambassador Roderick Abbott and other diplomats ride in chauffeur-driven limousines to work, Clerisme takes the bus.

Clerisme scrambles to attend meetings because the WTO has more than 30 different committees, subcommittees and working groups on its schedule, covering subjects from textiles to patents to the environment. Several meetings may take place at once.

"I feel that I don't understand very fully what is going on. Sometimes they will deal with things I don't know anything about," Clerisme said.

With 137 members, the WTO was created in 1995 on the theory that open markets benefit everyone. Its binding decisions determine how trade is conducted between nations and what restrictions countries can impose to protect their own producers.

The dichotomy in WTO representation can overpower its poorest members.

One key issue is the eagerness of large nations to export products at below-market prices to poorer nations, squeezing domestic businesses. "Dumping" goods can help an exporter corner a local market and may sometimes result from production subsidies by governments.

Clerisme says WTO dispute settlement — where a country can air a complaint and a panel of experts issues a legally binding judgement — could help combat rice dumping, a big issue in Haiti.

But Haiti can't use the system because it doesn't have lawyers with enough understanding of international trade

law, he says. Twenty-nine countries — mostly in African and the Caribbean — have no permanent representative in Geneva at all.

The question that arises is how much influence has a small country got over WTO decision-making processes? Very little indeed, said George Williams, who is ambassador for the Caribbean island of Dominica in London and gets to Geneva for about six days a year.

The WTO has sparked riots from Geneva to Seattle and protests in other places in part because of the impact economic globalisation has on the world's poor.

For their part, Clerisme and other WTO representatives from developing countries believe free trade can help their people. But the expense of running diplomatic missions in Geneva is a barrier to reaping those benefits.

Western diplomats estimate it costs their governments US dollars 300,000 to keep each of them here.

The big nations also have major support in their home capitals. The US Trade Representative in Washington has up to 170 staff and a budget of US dollar 70 million. That's about two-thirds of Haiti's entire yearly export earnings.

Clerisme says he is reluctant to disagree with other countries if he is unable to understand an issue.

"If they ask you to join a consensus, in the end you finish by accepting something that is not in your interests."

WTO Director-General Mike Moore came into office last September promising to help countries that can't afford to have a permanent delegation in Geneva. Moore, who is from New Zealand, describes himself as a Pacific islander who knows the problems of small, isolated nations.

"Many can't afford to subscribe to all the newspapers," Moore said in an interview. Others can't even pay for fax paper.

Moore spoke on a day when a discussion over whether to admit the West African island nation of Cape Verde to the organisation had to be postponed because nobody from the country was able to attend the meeting.

Cape Verde, with a population of 405,000, is classified with Haiti as a "least-developed" country.

Since his arrival, Moore has been in place training courses and "Geneva Weeks" for delegations with little or no regular representation at the WTO. The WTO even tries to provide newspaper clippings to needy missions.

But for Clerisme it's vicious circle.

Implanting the Bionic Ear

A cochlear implant does not restore a person's hearing to normal. Rather it can provide very useful auditory cues. While the benefits from an implant are not same for everyone, from the experience and case studies, in case of adults, restored detection of everyday sounds in the environment, improved face to face communication, the ability to understand speech through hearing alone, greater confidence to interact and socialize can be expected.

by Kanon K Roy

There are several brands of cochlear implant in use all over the world; for example, 'Nucleus', 'Clarion', 'Combi 40/40' etc. But the most widely used brand is 'Nucleus' manufactured by Cochlear Ltd. But the basic components of all brands are almost same which are described below briefly.

may gain from the device. A team of specialists i.e., audiologists, otologists, speech pathologists, neurologists, social workers and educationalists will have input into the management of patients.

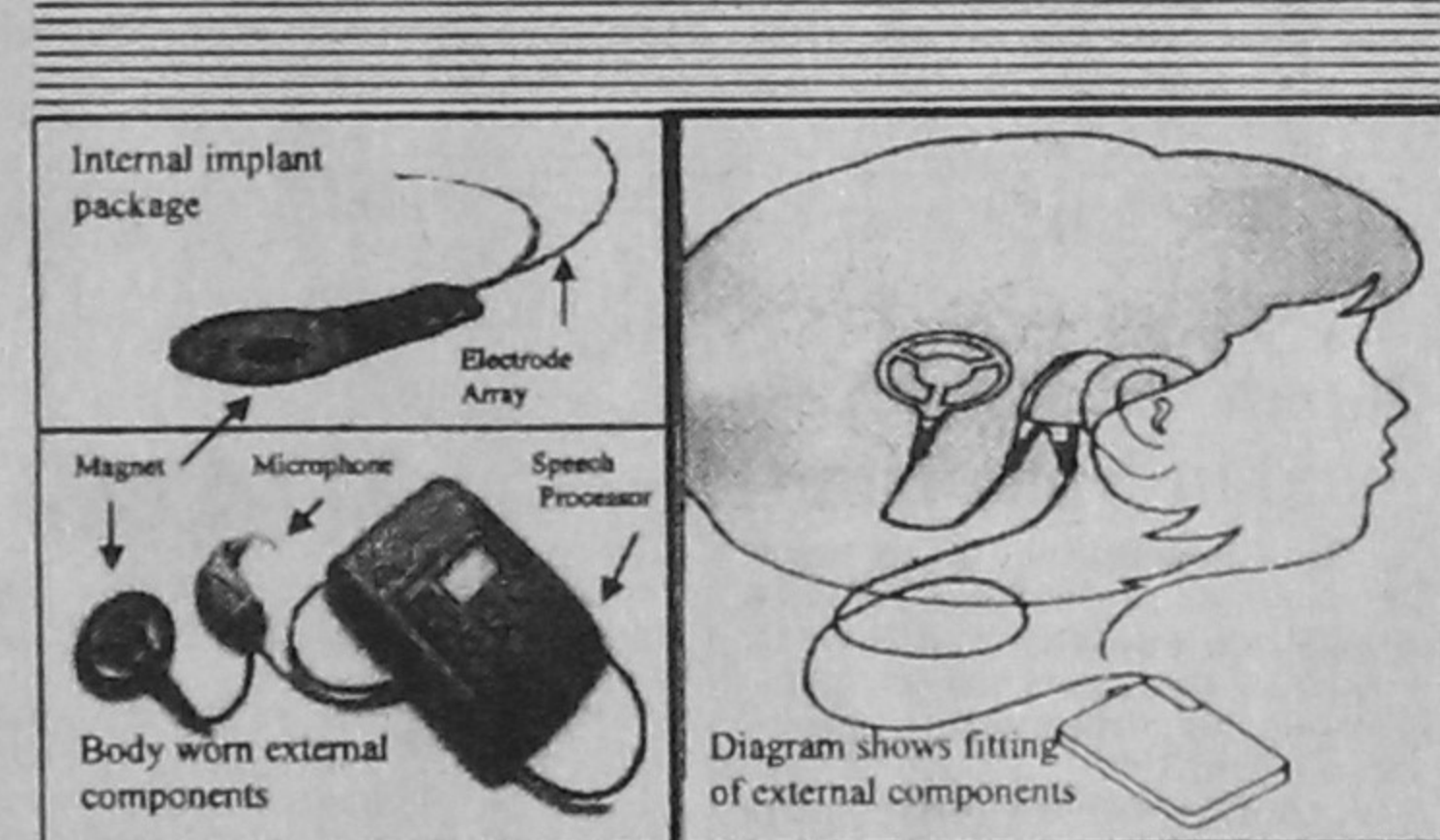
The plain and simple question is "who can be benefited from cochlear implant?" The

then making a small hole in the wall of the cochlea, he gently guides the electrode array into the shell-like cochlea. Once the array is fixed in place, the wound is closed. Typically the surgery takes 2 to 3 hours and the hospital stay is normally 2 to 3 days.

Fitting of External Components and Rehabilitation Measures: The headset and speech processor are normally fitted 4-6 weeks after the surgery in case of adults. The audiologist sorts out soft and comfortable listening levels for each of the electrodes and uses this information to create a MAP or programme and the fitting process generally continues over several days. In case of children, the fitting procedure continues over a 3-month period. Young children are typically monitored 2 to 3 times a week in the first month and 1 or 2 times a week in next 2 months to obtain a stable MAP. Hearing speech with the implant for the first time may appear somewhat unnatural but over days and weeks it begins to sound familiar. People who have no experience of hearing before require longer time to adjust to new sounds. In case of children who never had hearing before, the initial reaction to sound varies. Some may not show response to sound at first. Other children may show surprise, fear, inquisitiveness, or even happiness. Performance usually continues to improve over time with extensive auditory and speech training.

Follow-up is also very important and for adults weekly adjustment of MAP and communication therapy are done for the first month after fitting. The treatment focuses on auditory training, speech reading, telephone use, music and communication strategies. In case of children, after the initial 3 months period, they are examined every 3 months for the first year and every 6 months for second and third year. Thereafter the child is examined annually.

Realistic Expectations after a Cochlear Implant: A cochlear implant does not restore a person's hearing to normal. Rather it can provide very useful auditory cues. While the benefits



Components of Cochlear Implant: Multi-channel cochlear implant consists of 2 main components:

- 1) The implant package and electrode array (or receiver-stimulator), and
- 2) The speech processor and headset.

The receiver-stimulator contains the electronic circuits that control the flow of electrical pulses into the ear, an antenna that receives the radio-frequency signal from the external coil and a magnet that holds the external coil in place. There are wire leads attached to the package that join to electrodes. The 22- or 24-electrode array is inserted into the snail-shaped cochlea and the whole receiver-stimulator package is placed under the skin of the patient behind the ear during implant surgery.

Candidacy for Cochlear Implant: To determine the suitability of each prospective candidate, patient has to face the pre-operative selection procedure. A number of assessments are required for this and the results of these tests also allow the clinicians to advise the candidates on the benefit they

answer is the same as the summary of the selection criteria of a probable candidate, which are as follows:

- i) The candidate will be at least 12 months of age or older at the time of surgery.
- ii) The candidate must have little or no hearing in both ears.
- iii) The candidate must gain little or no benefit from hearing aids.
- iv) The ears must be free of infection.
- v) The inner ear must be properly formed and the auditory (hearing) nerve must be intact.
- vi) The candidate must be medically suitable to undergo an operation.

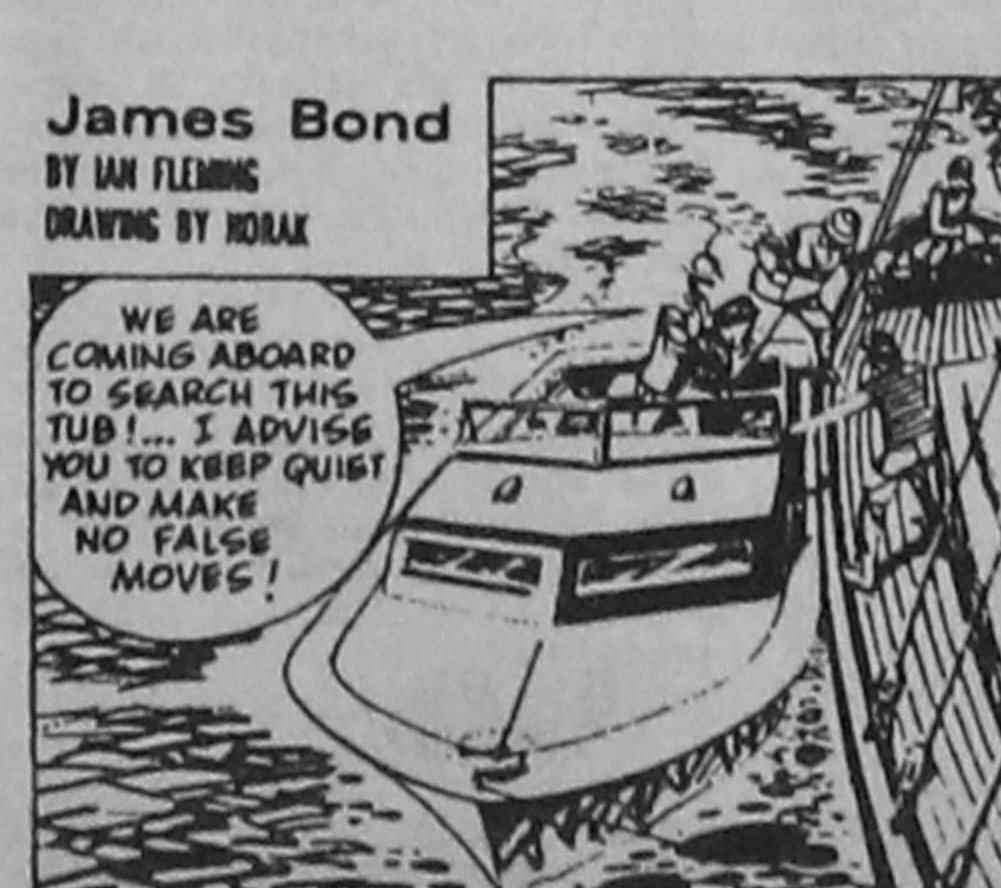
In addition the candidate and/or his family must have realistic expectations from and be aware of the device.

Implantation Surgery: Surgery is needed to insert the electrode array into the cochlea and to anchor the receiver-stimulator package in the temporal bone in the skull. After raising the skin from the skull behind the ear the surgeon drills in the temporal bone to have access to the cochlea and

Garfield @



by Jim Davis



— too old to deliver! —

All is not well in sonar Bangla.