

From Crisis Management to Development Visions

by Syed Akhtar Mahmood

Organizations such as the Jubilee 2000 coalition (an umbrella group for non-governmental organizations campaigning for debt forgiveness) have been arguing that the poor in the developing world bear the brunt of the high debt repayment obligations of their countries and any delay in debt forgiveness will only hurt them more. But the donors have a counter argument. What guarantee is there, they ask, that the money saved through debt relief will indeed be spent on the poor?

Dengue and the Minister

THE Health Minister Sheikh Fazlul Karim Selim instead of thanking the media for all its help in making the public aware about the threat of the dengue fever has, and quite characteristically, blamed the media for being incorrect and irresponsible. We resent the minister's characterisation of the media's role. In fact we think that we have done a public service and have acted most responsibly by spreading the word about the outbreak of this deadly fever which has already taken 11 lives since its outbreak and infected 239, according to the minister himself. The health ministry's figures are extremely conservative and cover only the city's public hospitals. What about the figures from the private clinics, about whose role the minister was so highly critical?

When the media broke the story of dengue outbreak it was discovered that testing reagents for the disease were not adequately available. In fact WHO had to airfreight a quantum of supply on an emergency basis. This was the situation in Dhaka. The condition in other cities and of the district hospitals can be easily imagined. Was it responsible of the ministry to be caught so unprepared, especially when so much is being made about the infection being seasonal? That is all the more reason why the government itself should have gone to the public well in advance to inform them that there could be an outbreak of dengue and that we should take such and such preventive steps to protect us from it.

The local WHO chief said that if properly managed nobody should die from dengue. Early treatment is the key, for which hospital staff have to be trained. So the question is: are our hospital staff trained to look after dengue patients? Will the minister please answer this question? He has admitted that 11 people died. (Does it include the nine year old boy from the Sunny Dale School who died from dengue and whose picture we carried yesterday? How many more does this figure not include?) Why should these 11 have died? Whose responsibility was it? Many of the urgent actions taken by the government resulted from the extensive media coverage that dengue outbreak got. Left to the government it would have buried this outbreak under layers of denials, as it tried to do in the beginning.

Just the other day Bangladesh Scouts, The Daily Star, Prothom Alo, Janakantha, ETV, Channel I along with others formed a group to work together to raise public awareness about dengue and help people fight this disease. Is this an example of our irresponsibility? May be to the minister, yes. He may say we are spreading panic. Regardless of what anybody says we will perform our public duty. We just hope that ministers will have the good sense to realise that independent media is an ally whose help should be sought, and not an enemy who needs to be denounced.

The Educated Swindlers

A considerable amount of public money has been swindled by a section of private college teachers with the connivance of a segment of dishonest and corrupt officials of the secondary education directorate. This has been going on for the last seven years with about fifteen hundred million (Taka 1.5 billion) taka being defalcated in the name of five thousand teachers of eight hundred private colleges of the country. The Bangla daily Prothom Alo on Thursday disclosed this sensational information. The chief of the directorate has, however, informed the paper that some cases of defalcation have been detected and salaries and allowances of teachers of the institutions concerned have been withheld.

It is really alarming to note that in eight hundred private intermediate colleges across the country around Taka twenty million has been drawn illegally in the name of additional teachers and officials for the last seven years. The swindling reached such a proportion that many principals in the intermediate colleges have been unlawfully drawing salaries similar to the slab for principals of degree colleges.

This racketeering has been going on unabated and still the DG's office is waiting for specific cases to act against the malaise. According to the 1993 order any private educational institution has to be registered with the government to be entitled to a grant. The government rules also stipulate that up to 26 teachers and officials of a private college can be financially subsidised. But the paper reports that twenty-seven institutions of the country have drawn money for more than double the number with the help of a section of swindlers at the education directorate. While many of the new private intermediate colleges opened to facilitate higher education for the students of the attached schools are trying very hard to be registered with the directorate for intermediate aids and subsidies, the already recognised ones are making hay taking advantage of the laxity of the directorate.

The black hand of corruption has entered the educational arena vitiating its atmosphere and causing a rapid erosion of moral values in the society. If teachers, however small their number may be, can steal public money then there is hardly anything to be optimistic about the future of this nation.

THE G-8 summit has just ended in Okinawa, Japan. The environment in which the G-8 leaders met for this summit was, in many ways, quite different from that which clouded the summits in recent years. In the past few summits, the leaders met in the midst of economic crisis and potential threats to the stability of the international economic order. Understandably, their minds were focused on crisis management and the need for more effective financial regulation. This time, with the spectre of a global economic crisis disappearing, the leaders of the world's most industrialized countries could afford to take a long-term view on broader development issues. No wonder that this summit has been dubbed the 'development summit'. And, no wonder, that the summit's final communiqué waxed eloquently of moving towards a 21st century 'of greater prosperity' and 'deeper peace of mind'.

The attention given to long-term development issues is commendable and I shall come back to it. However, one can justifiably be a bit concerned that the issue of reforming the institutions of the global financial system and more generally re-designing the international financial architecture, that had engaged the minds of the global leaders and others for the past few years, seems to have received much less attention at this summit. As crises usually do, the recent upheaval in East Asia and the threat of global contagion that it had generated, led to much soul searching about the current international financial system, including the role of the major international banks and the IMF. As a result, considerable work has been done in the past three years on thinking about reform options and some actions have already been taken. However, the achievements have been less than expected and observers have started worrying if the momentum for radical change has been lost.

If the momentum has indeed been lost, there could be two reasons for this. Firstly, the quick resolution of the crisis, helped by the faster than expected recovery of the East Asian tigers, may have taken away the sense of urgency. Any student of economic history would know that a long drawn-out and traumatic crisis, while

undesirable for many reasons, often has a beneficial side-effect. It inspires people to take stock of existing systems and arrangements — economic, political or social — and take bold steps to reform, or replace, systems that are no longer working. Long-held intellectual consensus is abandoned and different parties rise above parochial and petty interests to uphold common goals. A good example of this is the Bretton Woods reforms of 1944 which led to many changes in the international economic and financial order, including the creation of the World Bank and the IMF. The Bretton Woods meetings did not take place in a vacuum. Delegates came with fresh memories of the economic crisis of the 1930s and the devastation wrought by the Second World War. These memories provided a sense of urgency and an incentive to the parties involved to rise above their narrow mercantile interests and define their economic interests in broader, systemic terms. All this encouraged a multilateral approach to international economic issues. From this perspective, the quickness of the East Asian recovery, while very desirable for many reasons, may have also taken away the sense of urgency.

Secondly, even before the crisis had faded there were signs that it would be difficult to forge an agreement among the different players, including governments, the private sector and multilateral institutions, on the broad contours as well as details of reforms. The major international banks, for example have been opposed to the suggestions that they be forced to participate in crisis resolution through formal mechanisms to 'bail in' the private sector. In short, narrow interests seem to be prevailing. We are yet to see the emphasis on collective, rather than parochial, interests that had catalyzed the last major reforms to the international financial order more than five decades ago. The fact that the crisis disappeared so quickly without a traumatic global impact may have some

thing to do with the failure at collective action.

All this does not mean that there will no longer be talk of reforming or strengthening the international financial architecture. Work on this will continue but the changes are likely to be relatively moderate.

So, if reform of the international financial architecture was not uppermost on their minds, what is it that preoccupies the industrialized world's leaders in the Japanese city of Okinawa? This time the emphasis was on development and leaders talked about trade, debt and social issues. And, no surprise — in keeping with the times, they also talked about the spread of information technology and the spectre of a 'digital divide'. In the brief scope of this article one cannot do justice to all the important issues that were discussed in Okinawa. I shall thus focus on two: information technology and debt relief.

While the leaders felt encouraged by the recovery in the crisis-hit countries, they were certainly not in a complacent mood. Rather they were conscious of the tremendous impact that globalization and the spread of information and communication technology (IT) is going to have on both the developed and the developing world. These two mutually reinforcing phenomena are going to radically change many aspects of economic activities and bring about fundamental structural change to economies. The spread of IT creates opportunities but also poses threats. Countries that will fall behind in the digital race will not only be deprived of many benefits of globalization and IT but may, in fact, be unable to shield themselves from the many dislocations that globalization might cause. It is natural therefore that the G-8 leaders were concerned about how to close the 'digital divide' which has emerged between, and within, countries as a result of the rapid development of information technology.

So, what actions did they propose? And, are these

enough? The group issued an information technology charter (which readers may download from <http://www.g8kyushu-okinawa.go.jp/c/documents/iti.html>) designed to help developing countries benefit from the Internet. They announced the establishment of a Digital Opportunity Taskforce, called the Dot Force, whose mandate included a range of activities: fostering IT policy, regulatory and network readiness in developed and developing nations; improving connectivity, increasing access and lowering costs; building human capacity and encouraging participation in global e-commerce networks; encouraging pilot programmes and promoting policy dialogue, and facilitating discussions with developing countries, international organizations and other stakeholders. The task force is to report back at next year's summit to be held in Genoa, Italy, with recommendations on what the global community can do as a whole to bridge the knowledge divide.

But will all this emphasis on IT bear much fruit if the basic infrastructure in the developing countries remain poor? How widespread will be the benefits of IT if the supply of electric power remains inadequate and erratic, if the telecommunication infrastructure is antiquated and if the vast majority of the people are deprived of even basic education? Not much. The leaders were aware of this as is evidenced from this quote from the IT charter that they issued: "Indeed, those developing countries which fall to keep up with the accelerating pace of IT innovation may not have the opportunity to participate fully in the information society and economy. This is particularly so where the existing gaps in terms of basic economic and social infrastructures, such as electricity, telecommunications and education deter the diffusion of IT."

It was not clear though how the required infrastructural improvements will be financed. Prior to the summit, Japan committed \$15 billion in aid over five years for such efforts

as the training of IT experts in developing countries. Although the Japanese may have hoped that their initiative would form the seed capital of a larger fund, other members of the G8 made no new commitments during the summit. It must be mentioned, though, that many of these countries are providing bilateral assistance to developing countries to help develop IT. Moreover, multilateral institutions, such as the World Bank, have several projects at both country and global level to support infrastructure building as well as development of IT itself.

Another important issue discussed was debt relief. The developed countries had agreed, under the Heavily Indebted Poor Country (HIPC) Initiative, to offer debt relief of up to \$50 billion to qualifying countries. Another \$50 billion of relief is to be granted under the heading of overseas loans and Paris Club debt. However, progress in granting debt relief has been slow. Of the forty countries that are technically eligible for relief under the HIPC initiative, only nine, mostly in Africa, have benefited so far to the tune of \$15 billion. The G-7 countries (i.e., G-8 minus Russia) are currently negotiating with another eleven countries. The final communiqué at Okinawa promised to "work expeditiously" to ensure that HIPC debt relief has been granted to a total of 20 countries by the end of this year.

Not surprisingly, the advocates of rapid debt relief were not impressed. Organizations such as the Jubilee 2000 coalition (an umbrella group for non-governmental organizations campaigning for debt forgiveness) were unhappy with the slow progress. They have been arguing that the poor in the developing world bear the brunt of the high debt repayment obligations of their countries and any delay in debt forgiveness will only hurt them more. But the donors have a counter argument. What guarantee is there, they ask, that the money saved through debt relief will indeed be spent on the poor? They point out that a

number of HIPC countries are currently affected by military conflicts which prevent poverty reduction. They fear that further debt relief for these countries will only go to finance such conflicts. For some other countries, there is fear that debt forgiveness will only serve corrupt regimes that have misappropriated aid funds in the past. Debt relief is thus a contentious issue and is likely to remain so for some time to come.

In addition to this, the G8 leaders made a number of commitments on trade and social issues. They pledged themselves to support efforts to launch a new round of WTO-based multilateral trade negotiations by the end of the year. On health, they committed themselves to three critical UN targets: reducing the number of HIV/AIDS-infected young people by 25 per cent by 2010; reducing TB deaths and TB prevalence by 50 per cent by 2010; and reducing the burden of disease associated with malaria by 50 per cent by 2010. On education, the group promised to join in global efforts to achieve universal primary education by 2015 and gender equality in schooling by 2005. It also committed itself to halving the number of those living in extreme poverty by 2015 and called for establishing the economic and social foundations for broad-based, private sector growth.

All this implies a heavy agenda. The G-8 leaders made it clear that pushing this agenda forward will require the collaboration of all actors: governments, private sector, civil society and the multilateral institutions. One of the people who attended the summit as an observer was Jim Wolfensohn, the president of the World Bank. On his return to Washington, he sent an e-mail to all his staff saying how much the work of the World Bank was noted during the deliberations and thanked them for their work. As he wished his colleagues a happy summer and embarked on his own vacation, Mr. Wolfensohn had no illusions that, when he returns to work in September, he will have anything less than a full agenda to deal with. The G-8 leaders have made their commitments at Okinawa. That was the easy part. The more challenging task of delivering on these promises lies ahead.

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Does it Really Mean Anything for the Poor Countries?

by Navine Murshid

Where people cannot have two square meals a day and have an added \$130 debt per person (as is in Bangladesh), it is very difficult to finance education, health care services and technological progress.

THE Group of Eight leading nations ended their annual summit on 23 July with promises to help poor countries cut their debts, fight diseases and introduce them to new technologies. G-8 leaders also decided to launch global trade talks by the end of the year.

The summit was uneventful in the sense that there were no protesters like was seen during the WTO meet in Seattle. At least, no protesters the 20,000 police could not handle. Also, in absence of new and pressing international dramas the leaders focused on long-term issues crucial to global peace and prosperity.

Japan spent more than \$750 million on the summit and two preparatory ministerial meetings. This big bill angered development lobbyists, who said the money could have been better spent on debt forgiveness for poor countries.

Campaigners were also upset by the G-8's failure to ease the conditions on a debt relief plan launched a year ago that has fallen far short of expectations. The leaders merely said they would try hard to ensure 20 out of 41 very poor countries are on track for debt relief by the end of the year, up from nine now.

"While the G-8 leaders have enjoyed Japan's \$750 million hospitality, they have squandered a historic opportunity to cancel the unpayable debts of

the poorest countries," Ann Pettifor, who heads the Jubilee 2000 debt-cancellation coalition in Britain, said in a statement.

Jubilee 2000 coalition had added another thirty countries to the list of very poor countries, including Bangladesh. The summit poses threat to the future of all these countries, as debt forgiveness is increasingly being related to development and progress.

The UN had said that they would try to halve poverty by 2015. There is no way that would happen if the present debt situation persists," opined Craig Smallbone of Jubilee 2000, who had visited Bangladesh last month in connection with the debt-cancellation campaign.

Interesting was Putin's role in the whole summit. He had been expected to ask for easier terms on \$42 billion of loans to Western governments that Russia inherited when the Soviet Union collapsed in 1991. But Putin, determined to confirm Moscow's status as equal partner, never raised the ques-

tion. Indeed, he insisted that the final communiqué have no separate reference to Russia.

The Eight, besides ranting about debt of the third world countries, pledged to meet a range of U.N. development goals, including numerical targets to reduce AIDS and other infectious diseases, the halving of absolute poverty by 2015 and a place in school by then for every child on earth.

"This is the first time, at least in my experience, and this is my last G-8 conference, that there has been such a systematic focus on the developing world on the problems of disease and the digital divide and education," said President Clinton, who announced \$300 million in aid to provide free school lunches in developing countries.

On the core issues of the summit, the G-8 was upbeat about the recovery in growth since a financial crisis swept Asia, Russia and many parts of the developing world in 1997 and 1998.

The world economy will grow strongly this year, and we are particularly encouraged by

the strength of recovery in crisis-affected countries," the leaders' communiqué said. In a statement at the end of their annual summit, the G-8 also said "financial and economic crises of the past few years have presented enormous challenges for the world economy" and declared they would carry the lessons forward to prevent future economic upheavals.

"The world economy will record strong growth this year," the G-8 said in a joint declaration.

"While the pace of recovery varies across Asia, trade is expanding and indeed some countries have achieved dynamic growth," the G-8 said.

"It is the first summit in which I participated in which there is no big economic problems for the developed countries... This has made it easier to think of the problems of the developing world," said Romano Prodi, President of the European Commission.

With at least one-fifth of the world's population stuck in poverty, the G-8 said the globe still had vast problems. "In

particular, many developing countries, notably in Africa, are growing too slowly. The HIV/AIDS pandemic aggravates the situation," they said. The G-8 promised to deliver "three critical UN targets" by reducing the number of AIDS/HIV infected young people by one quarter, halving tuberculosis prevalence and deaths, and making a similar reduction in the incidence of malaria, all by 2010.

The leaders issued an information technology charter to help developing countries reap the economic benefits offered by the Internet and asked a Digital Opportunity Taskforce, or Dot Force, to report back with ideas to next year's summit in Genoa, Italy. They said they must bring IT opportunities to poorer nations to bridge the gap in technological progress.

In the meantime, to show they themselves are not being left behind by the digital age, the leaders said they had agreed to set up their own e-mail network.

As the summit's host nation, Japan promised \$15 billion in aid over five years to help train IT experts in developing coun-

tries and underscore its commitment to make the bridging of the digital divide the main focus of this year's summit.

"The world cannot prosper if the developing world fails to develop," said Japanese Prime Minister Yoshiro Mori. How much Bangladesh would actually gain from this is yet to be seen? First of all, Bangladesh has not been included in the Heavily Indebted Poor Countries list, where 42 countries were cited. Therefore, debt relief for Bangladesh may be far off. If the Japanese PM's words have any truth in it, then the world will not prosper soon. If debt is not cut off, the 72 countries recommended by Jubilee 2000 for debt relief, would not be able to develop.

All the factors that were discussed in the G-8 Summit are interlinked. For one factor to be effective and working, all the other factors have to be working too. Where people cannot have two square meals a day and have an added \$130 debt per person (as is in Bangladesh), it is very difficult to finance education, health care services and technological progress. In such countries, these 'necessities' are actually luxuries that they cannot afford; luxuries that they can well do without.

Debt relief will not change everything, but it would be a firm step towards development. It would make all the other factors possible.

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.

Dengue and our big guns

Sir, The Daily Star of 26th July reports "The Institute of Epidemiology, Disease Control and Research (IEDCR) has no scientist for research on mosquito". On the following day the DS correspondent also reports "Dhaka ignored WHO alert on dengue epidemic..." "A large number of dengue fever cases of the country escaped detection in the absence of proper diagnostic facilities..." "In absence of a qualified research specialist at the IEDCR there is no way to deal with the scourge that endanger human life." We also learn from the report of Naimul Haq that one Dr A. Manjiv, who recently returned from UK after completing Ph.D. on paracytology is now assigned to carry out "simple administrative work". Mr Haq goes on to report "Dr Yasmin Jahan, a microbiologist who worked

with IEDCR is now in the National Institute of Population and Social Medicine (NIPSOM)". There is another instance; Dr Shirin Akhtar trained in entomology in the London School of Tropical Medicine and Hygiene is also posted in NIPSOM. All of these doctors with essential qualifications and experience, if posted at the IEDCR, could possibly help the nation in getting relief from the dengue epidemic. But they are not. We should not, however, forget that we do not have the reputation of placing the right person in the right place and do the right thing at the right time, if ever we choose to do so. While the department concerned remains oblivious of the situation, "13 people already died of dengue fever and 250 people were reportedly infected by dengue" in the capital itself. The Ministry of Education has indeed done a great job by closing down schools and colleges for three days to carry out

"cleanliness drive". It is also reported that the home of the Finance Minister was sprayed for half an hour to save the Honourable Minister from dengue. We assume that other big guns' homes, including Mayor Hanifs, have also been sprayed while there is no report of spraying homes of the common people, who pays tax for payment of salaries to all concerned. Does cleaning of educational institutions and spraying homes of the 'big guns' mean that these are the only places mosquitoes will target? No wonder the people in authority who ignored WHO warning against the outbreak of dengue in Chittagong and Dhaka are rightful claimants of getting their homes sprayed with larvacide at the first instance! And it is indeed a relief for the people of the capital city to learn that their Honourable Mayor has decided not to travel abroad, as planned, for he wants to be in the city at this trying time of the nation!

A Taxpayer Dhaka

No interest in tea!

Sir, The report on the tea industry (DS, July 26) shows that the governance is not interested

in the development of the old tea industry, one of the traditional export lines. Tea drinking is routine, and is taken for granted, in a routine manner, as if there were no problems, and the development and BMRE would take care of itself automatically without any government intervention; of course the tea drinking gentlemen in the gardens were polite enough not to be too pressing.

While foreign assistance data have been mentioned, there is hardly any publicity of the government's interest in the tea gardens and its technical and human problems. Within ten years, we might not be able to export tea, as domestic demand may outstrip the surplus left for export.

R&D is also weak, as superior grades are not being made available to the local consumers (FOP, unbroken OP, non-CTC leaf grades, etc). Our tea has more liquor than flavour; and entrepreneurship is missing. Why do we have to get on the country to enjoy a good cup of tea? Due to so-called protection, grades not grown in Bangladesh are also levied at a high rate, when imports are restricted for blending only (we have to import high-grown variety for blending, as we lack ground height of 5,000 to 7000

ft.). It is a neglected industry, dumped into the lowest priority in the government development plans. Why this step-motherly treatment for the drink that cheers, but not inebriates? Let us go for better tea, and more of it.

AZ Dhaka

Roads in bad shape

Sir, Some roads of Dhaka University area are in real deplorable state which need to be repaired immediately. I am particularly talking about those roads, which run through the Arts building and the Register building. I can clearly recall that the condition of these roads is just as it was three years back when I entered this institution. Pits and ditches proclaim their presence here and there on these roads. As days pass by, their number is increasing and thus enhancing the suffering of the people. During the rainy season, the condition deteriorates, some parts of the roads go under rainwater and the hidden pits under water become more dangerous. And then the students have no alternative but to wade through

water wetting their shoes. Will the concerned authority please take necessary steps and eradicate the problem?

Ruhul Amin Dhaka University

DESA's prank

Sir, We are in receipt of the electric bill issued by DESA for the month of June, 2000 dated 2nd July 2000 received by the Security Guards of our office complex- Kakkrai Flat Owners' Multi-purpose Co-operative Society LTD on the evening of 26th July 2000. The last date for payment of the bill is 31st July 2000 which leaves only three banking days i.e. 27, 30 and 31st July to pay the bill. It took 25 (twenty-five) days by DESA to deliver the bill and DESA expects their consumers to ensure payment in three days time! This is the second instance of DESA's similar negligence.

In this regard I would like to ask the DESA authority only one question-- do they really want the consumers to pay their bill on time? Well, the above instance doesn't prove so.

D. M. Khan Kakkrai, Dhaka