

Privatisation of some governmental functions needed to raise administrative efficiency

A B M S ZAHUR

It is generally agreed that the government of Bangladesh is overextended because not only it performs the core functions of state (such as national defence, law and order, judicial system etc) but it also functions in grey area such as, education, health or railways etc. In fact most of its conscious citizens think that government is doing too many commercial functions that others can do better and too little of what it should be doing more like poverty alleviation, rural infrastructure development etc. Its tentacles are spread all over through direct intervention and/or overbearing and discretionary regulations. Its inefficiency affects the entire economy. However, the government has assigned to the private sector the major responsibility of promoting industrial investments and exports. To permit the growth of a vibrant and dynamic private sector government is gradually rolling itself back from such areas in which the private sector is expected to perform better. It has been seen that wherever government has loosened its grip and allowed the private sector to perform rather freely (e.g. RMG sector) the entrepreneurs are able to produce satisfactory results. Many regulatory functions that government is still performing are characterised by traditional bureaucratic hassles, inefficiency and corruption. For the private sector led growth of a market oriented economy the obstacles before the private sector must be removed quickly.

Though the relations between the government and the private sector have improved in recent time it should be more collaborative. Private sector matters are mainly spread over among ministries of commerce, jute, industries and textiles and promotional agencies such as Board of Investment (BoI), Export Promotion Bureau (EPB) and Bangladesh Export Processing Zone Authority (BEPZA). In the following paragraphs a very brief discussion has been attempted on the need for modernisation or abolition or transfer of certain regulatory and promotional functions to private sector institutions like federation of Bangladesh Chambers of

Commerce and Industry (FBCCI), chamber of commerce or industry or trade associations for attaining accelerated growth in an atmosphere of less hassles and corruption. Discussions are given below:

Ministry of Commerce
(i) Office of the Chief Controller of Imports and Exports (CCI&E): With the globalisation of international trade the agency has lost its importance and in fact has become an unnecessary burden on the revenue budget. Its main functions now remain, import and export registration. The Import and Export (Control) Ordinance, 1975 may suitably be amended and the functions of import and export registration may be transferred to district chambers

cannot be handled by the private sector institutions. However, the quality and quantity of its personnel need much improvement and its laboratory facility has to be modernised further. These measures are to be taken as quickly as possible.

(ii) Bangladesh Industrial Technical Assistance Centre (BITAC): Its main functions are promotion of productivity consciousness and rendering technical advice to industries. At present it is serving both the public and the private sectors in the development of industrial productivity. With growing importance of private sector and deflation of public sector it may appropriately be transferred to FBCCI.

significance of intellectual property rights has increased even for the LDC like Bangladesh. As such the government may give better attention to this rather neglected agency.

(v) Office of the Chief Inspector of Boilers: It aims at ensuring industrial safety through proper registration, installation and inspection of boilers. It needs simplification of its office procedures and adequate number of technical staff.

(vi) National Productivity Organisation (NPO): It promotes development of skill of industrial workers, technicians and staff. It serves both public and private sector industries. It may be considered appropriate to transfer it to FBCCI because of growing impor-

industries. This ministry was a part of ministry of industries. It may easily be merged with the ministry of industries.

Board of Investment (BoI)
It was set up to offer prospective domestic and foreign investors a package of facilitation services. This has, however, not happened because it adopted the normal bureaucratic channels in obtaining support from key ministries such as land, energy, industry. The other problem is poor quality of staff. No function of the agency needs to be privatised at this stage. What is urgently needed is restructuring of the operations as proposed in 1993. It may be pointed out that the restructure plan could not be implemented due to resistance of its staff. We may expect strong measure from the present government for execution of restructure plan.

Export Promotion Bureau (EPB)

It was set up as a promotional agency to (i) explore and examine the potentials of export-oriented products within the country, (ii) to formulate and integrate export development strategy and (iii) to organise participation in trade and export fairs. However, its role actually is much more restrictive, monitoring exports and issue export licences. There are complaints about the agency's non-transparent system of selecting participants in trade fairs and lack of professional skills in arranging presentations and product displays. It faces administrative constraints in obtaining clearances from its parent ministry. It may, therefore, be appropriate to delegate the implementation aspects of its promotional role to chambers/trade bodies. It may be allowed to be operated as an agency with private sector participation on its board and its funding to make it more responsive to trade bodies.

Bangladesh Export Processing Zone Authority (BEPZA)

Its primary objective is to provide special areas (free from cumbersome procedures) to potential investors classified into three types, type 'A' (100% foreign owned or Bangladesh nationals), type 'B' (joint venture), type 'C' (100% Bangladesh entrepreneurs resident in Bangladesh). Though performing better than any other promotional agencies it may be more appropriate to involve the private sector in its management to make it more effective.

The agencies like Trading Corporation of Bangladesh (TCB) may be abolished, private sector may be strongly represented in the management of Bangladesh Tea Board and two insurance corporations, to make them more responsive to trading community.

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(ii) The office of the Registrar Joint Stock Companies: Its functions as per regulations are administration of (a) the Companies Act, 1994, (b) Societies Registration Act, 1980 (c) Partnership Act, 1932, and (d) Undesirable Companies Act, 1959. No function of this office can be transferred. What is needed is modernisation of the regulations under which it is operating. In addition, the office staff should be professionalised.

(iii) Office of Director Trade Organisations (DTO): It controls the trade bodies through the Trade Organisation Ordinance, 1961 which has lost its meaning because it is contrary to the spirit of private sector development. It also fails to specify under which conditions the government can take measures for the healthy development of trade bodies. It is time that the ordinance be totally nullified.

Ministry of Industries
(i) Bangladesh Standards and Testing Institution (BSTI): As its functions are related to maintenance of quality of goods produced in the country as well as goods imported from abroad its functions

(iii) Bangladesh Small and Cottage Industries Corporation (BSCIC): Its main objectives are (a) to strengthen the base of small and cottage industry through arranging special credit line of small and cottage industries development, (b) development of industrial estates and allocating industrial plots, and (c) organising entrepreneurship programmes and marketing development programmes. As government has already allowed development of industrial estates in the private sector, the function of development and allocation of industrial plots may totally be transferred to the private sector. This will lessen the scope for corruption and misallocation of industrial plots on political consideration. The quality of personnel needs improvement.

(iv) Directorate General of Patents Designs and Trade Marks Registry: As a promotional agency it administers (a) Patents and Designs Act 1911, (b) Secret Patents Rules 1933, and (c) Patents and Designs Rules 1933. To make its existence meaningful the regulations need modernisation urgently. With the coming into force of WTO

of private sector.

Ministry of Jute
Among its regulatory functions are (i) administration of Jute Ordinance, 1962, (ii) Jute (licencing and enforcement) Rules, 1964, and (iii) Record of Jute Growers (border areas) Act, 1974. The promotional functions include (i) rationalisation of commission, brokerage and packaging charges, and (ii) review of performance of the exporters. As the public sector jute mills are going to be privatised the functions of directorate will be restricted to only cultivation, production of jute and monitoring manufacture of jute goods. Thus there is no justification for separate existence of this ministry. It can be merged with the Ministry of Industries.

Ministry of Textiles
Its principal regulatory functions are (i) issuance of rebate certificate to local exporting industries, (ii) supervision, control, management of the works of monoethnic institutions. The promotional functions are (i) publication of necessary booklets of the private sector textile industries and (ii) assisting and guiding in formulating plan and policy for development of export-oriented

Community based jalmahal management A positive step towards poverty alleviation

GAZI NURUL ALAM

The importance of fisheries sector in nation's agro-based economy and socio-economic development is simply high. The contribution of fisheries sector in creation of rural and urban employment opportunity and meeting protein deficiency of the people and also in foreign exchange earning is not only essential at present but its possibility is also promising. An estimated 73 per cent of rural population is engaged in fish harvesting, fish processing and also in fish marketing activities. The fisheries sector's contribution in GDP is 5 per cent, in export earning, 11 per cent (DoF, 1997). This sector provides full time and part-time employment for 1.2 million and 1.4 million people, respectively. As per DoF data the national fish production was 1.4 million metric ton in 1997-98, 1.5 million MT in 1998-99, and 1.6 million MT in 1999-2000.

There are about 10 thousand Jalmahals (large water bodies) at present in Bangladesh. All these Jalmahals are under the ownership of Ministry of Land (MoL) and Ministry of Fisheries & Livestock (MoFL) looks after its fisheries management. The Ministry of Land usually leases out these water bodies for a period of 1-3 years to the public on open auction basis only with a view to realising revenue. In reality these waterbodies are taken lease of by the influential non-professional fishermen's groups through this practice of auction.

So this is very unfortunate that the professional fishermen's groups are being deprived of their legitimate right of fishing. Even it is seen that sometimes people, say, from Comilla take lease of waterbodies of Mymensingh. This creates an anomaly in proper management. Various government projects have been under implementation since 1980 with a view to enhancing fish production in inland waterbodies. The participation of local professional fishermen, poor people, and declaration of fish sanctuary, management and sustainable development aspects of these waterbodies are not included in such projects. But in the beginning of the past decade the concept of Improved Management of Openwater Fisheries (IMOF) and later on Community Based Fisheries Management (CBFM), came into being with some logical frame work. The main objectives of such programmes were:

Alternative Jalmahal management technique should be made for the beneficiaries of the society -- to

ensure active participation of all sections of people of the society. Arrangement should be made to lease out the waterbodies to local professional fishermen as well as to poor people -- to create alternative employment opportunity and equal distribution of earnings; to ensure the right of ownership of the poor on Jalmahal and to improve their socio-economic condition.

The first phase of Community Based Fisheries Management (CBFM) was successfully completed by June, 1999 by the joint venture of various NGOs, government, donors and beneficiaries. Different sections of people of the society were involved with different programme of CBFM project so that they could know everything about the programme.

select a Jalmahal Management Committee where it is essential to involve people of all sections who live near Jalmahals which will give better result in all respect. The following guidelines may be followed during the selection of Jalmahal Committee

(i) Any local NGO may take active part for the whole exercise.
(ii) Inclusion of organised fishermen community as members of the committee should be made. Besides, other professional fishermen may also be included in the committee.
(iii) Fish traders, fish processing organisation and owners of "Khata" may be taken as members of the committee.
(iv) Local influential elite, powerful persons, UP Chairman/Member

poor men of the society in the use of jalmahal.

To create small scale projects for enhancing the income of poor people.

To arrange for providing training to the members of the committee.

To cooperate with the organised fishermen in order to realise revenues.

Some recommendations: In the light of the writer's field experience, the following recommendations are made for perusal of those who matter:

It is advisable to lease out the waterbodies/jalmahal for a period of 5-10 years to the "Samity" organised by the joint ventures of fishermen community and poor people of the society.

The waterbodies/jalmahal need to be transferred from the Ministry of Land (MoL) to the Ministry of Fisheries & Livestock (MoFL), and laterally the ministry of land should be involved in the project.

It is necessary to organise a powerful association in order to protect the fishermen community from the clutches of influential and powerful section of people. At the same time, financial assistance should be provided to them including the women community.

Training facilities need to be provided to the beneficiaries in order to enhance their knowledge and skill.

It is advisable not to increase the lease rate of jalmahal.

It is also advisable to strengthen the interdepartmental relationship between the Govt., non-Govt. organisations and primary association.

Conclusion: Among all the top-priority steps, the judicious management of fisheries resource is the principal one in respect of poverty alleviation in the country. Bangladesh is uniquely endowed with vast open water resource. It is highly essential to establish the rights of poor people in the exploitation of these vast waterbodies with a view to improving their socio-economic conditions.

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Characteristics of Jalmahal management: Jalmahals are such waterbodies which are khas or government owned property and are perennial in nature. Such waterbodies may or may not be leased. The jalmahal management describes the judicious harvesting of fish from the waterbodies, creation of fish sanctuary, banning catch of fish below 9 inches and smooth conservation of aquatic resource and its use by the active cooperation of professional fishermen. The morphology and the general characteristics of jalmahal is described below:

Beel/Haor: The waterbody is perennial in nature or it contains water almost throughout the whole year. It is a closed waterbody. Culture fishery programme could be adopted there or fish harvesting could be done.

River: Perennial in nature. Presence of continuous water-flow is there which could be used as fish sanctuary or fish harvesting could be done.

Baor: Perennial in nature which does not go under inundation during monsoon. It is suitable for culture fishery as it is closed waterbody.

For smooth administration and appropriate management of jalmahals it is very important to

or any political personality or school teacher may also be included in the committee.

(v) Thana fisheries officer/extension officers may also be included in the committee.

The Jalmahal Management Committee will give the guidelines in respect of formulation of all management techniques and strategies. Some of the major management techniques are stated below:

To maintain proper coordination among all the members of the committee.

Creation of "Fish Sanctuary" with a view to enhancing fish production.

Awareness creation among the beneficiaries with respect to fish culture methodology, fish conservation and judicious harvesting of fish.

Removal of unauthorised "Khata" system and paving the way for sustainable development.

To create opportunity for open discussion of committee members with government fisheries officer.

Proper management of jalmahal in the light of Fisheries Act (laws) in force.

In order to establish logical rights of professional fishermen in the jalmahal, the fishermen community and poor section need to be organised and initiated.

To ensure the rights of actual

Gazi Nurul Alam is a free-lance consultant on fisheries and environment.

The importance of jute research

A MAWAZ

After watching the TV programme Mukho Mukhi on June 10 last year on jute, during which the minister gave us some startling data on the stagnant industry, I had the satisfaction of displaying in the drawing room a pair of shoes made of jute which I had purchased in Spain about three years ago (and still giving good service). Ironically I informed the sales assistant that I came from a country which was the largest producer of jute in the world, and also that we had the world's largest jute mill. What I did not tell him was it was not the most efficient mill in the world; and that we cannot produce jute shoes.

From the shoes we come directly to the Bangladesh Jute Research Institute. We have been bleeding ourselves for the last 40 years exporting jute mostly in raw or semi-finished form, losing on the precious value-added foreign exchange. Nobody would object if we like the traditional way of life and are not keen for development, modernisation and diversification. What we fail to realise is that the loss is "invisible" till diversified new products are seen in the market.

Just to cite one instance in the case of shoes, in our school days we used what we called "tennis shoes" made of canvas. Today stylish sports shoes are a billion dollar business, (and we are exporting them), but these shoes are plastered with synthetics, with jute content not even one per cent.

The new jute products display centre at Adamjee Court, Motijheel has some interesting items outside the category of "handicrafts" (bags, belts, etc.), suitable for home utilities, such as corrugated sheet (like CI sheet) made of jute and plastic, which is translucent. Some bathroom fittings are a novelty. The centre is worth a visit.

Basically, the problem is not with the JRI alone. In developing countries, R&D is a low-priority subject, and does not get the VIP and glamorous treatment or attention. The research institutions are generally low-level, low-profile, passive, routine set-ups, not subjected to constant administrative pressure (as in the case of cyclone relief and protection, communication, food, power, education and health); and there is an indifference to strict monitoring of outputs and target goals. Also scarce funds are diverted elsewhere.

For generations, the West have thrived on the export of commodities and basic raw materials from the Third World to build up its industrial infrastructure. This exploitation is still going on, but the trend is changing as high labour costs are forcing the location of factories in the developing countries. Nowadays, "value-added" is the name of the game, and Bangladesh is lagging far behind in this technology.

It is a technology, that is why the research institutes, especially the



PHOTO STAR

How long major activities with jute goods remain mostly confined to gurnny hags?

export-oriented ones, in the developing countries have assumed a new importance, and the situation has to be exploited to the maximum. Transfer of technology is not easy to get, so why not add value to the traditional exports, and diversify?

The World Bank has been bombarding the developing countries with roundabout statistics on improving technical and managerial efficiency, based on Western standards. In the jute sector, the WB should have no objection to assist the JRI in modernising and upgrading it, for diversification of products for increased exports. In fact, the JRI needs a thorough shake-up, as jute is a top export sector. There should be no problem in getting foreign experts and consultants from the industrialised countries to reorganize the whole set-up.

It was shocking to learn that the cost of production in the jute factories is three times more in Bangladesh compared to that in Pakistan and India. We seem to be happily sleeping over it. The staffworker ratio is a laughing stock. Another astonishing news was that the administrative staff has remained the same while the number of mills in operation has gone down by 50 per cent. It is not understood why there should be hartals and agitations when we are faced with these nasty and stark facts. The communication gap between the policy

makers and the union leaders has to be reduced, to get their understanding and cooperation.

No private industry could afford to run under these conditions. Therefore, the suspicion is bound to arise that those adversely affected are out to exploit the misplaced kindness of the government. The new government has yet to learn to take unpleasant decisions in public interest.

"Popularity" is a poison to good and firm administration, and should not be encouraged even by the opposition, in national interest. Suffering is part of life, and microphones, loudspeakers and lip sympathy play a very small part in the daily grind. Sounds nice, but does not solve problems (asking for more than what is possible to give; for example provide instant jobs to millions; cannot sack anybody -- even the corrupt; increase in efficiency would not be allowed).

When the parliamentary committees sit down on the rationalisation exercises, they have to be realistic and squarely face the facts, and the opposition should also explain to the public why some hardship has to be borne. It is a strange sight to find that all the rest think that the government is not rational. What an assessment of our own society!