

Competition, productivity and industrial growth

SYED AKHTER MAHMOOD writes from Washington DC

AN August 29 editorial of The Daily Star "Competitiveness of local enterprises: Negative factors should be eliminated" has pointed the finger at something very important, i.e. the need to for our enterprises to be competitive. It quotes the Global Competitiveness Report 2001, prepared by the World Economic Forum, which assesses the competitiveness of Bangladeshi firms as being among the lowest of the countries surveyed. The editorial talks about the need to improve productivity and lower the cost of production in our enterprises.

This emphasis on productivity and cost reduction is a refreshing departure from the frequent talk we hear about providing special favours to industry. We often see private sector representatives, struggling to remain competitive, asking for duty-free access to world markets, reduced tariffs on imported inputs, lower taxes on corporate income, and easier access to bank financing. While all these may help, at the end of the day the key to industrial growth is productivity. And yet, compared to the repeated talk we hear about special favours for industry, there is little discussion, at least in public fora, on the need to enhance productivity and to identify and remove barriers to productivity improvements.

Any comparative study of Bangladeshi industry will show that most of our firms operate at productivity levels far below global best practice levels. Part of this could be explained by technology differences. However, even where we use the same technology, we usually operate it with much lower productivity than the most productive firms in the world. There are wide variations within Bangladesh too, with productivity levels varying significantly from firm to firm in the

same industry. An important challenge for us is thus to catch up with international best practice.

Indeed, catching up with best practice is the essence of development. Cross-country experience tells us that one of the key ingredients of development is the ability to adopt and adapt good practices, be they in technology, production processes, organizational methods or institutional arrangements. Adoption of better practices is needed to improve productivity. And productivity is key to growth.

Catching up with international best practices is thus one of the

entry rights, rule of law and good governance, and an adequate supply of infrastructural and financial services.

International experience suggests that open and competitive markets are the key to the adoption and diffusion of best practices. Open economies give people access to new ideas, products, techniques and ways of doing things. Competitive markets generate the incentives to adopt these good practices. Although Bangladesh has opened up its economy considerably in recent years, there are still many barriers to

competition and productivity growth. Endowed with political connections, they can protect themselves against failure when they do not perform, often via preferential access to bank credit. This generates a vicious circle: as entrepreneurial opportunities are reduced, prospective enterprises find it difficult to enter the arena and existing, dynamic firms might find it difficult to innovate and out-compete the less productive but well-protected enterprises.

Competition is thus critical for productivity growth. But there are other important factors as well. An

competition and productivity growth.

In addition to improving the overall investment climate, governments often try to support private firms directly in order to help them overcome market failures. Such support typically includes the provision of finance and business development services to private firms. One needs to exercise caution before pushing for such schemes. Cross-country evidence tells us that public support to private firms that were based on subsidized credit or provision of business development services without aligning them with market demand and supply, have typically had poor results. Support to private firms in an inadequate investment environment usually leads to waste. If support to private firms is to succeed and lead to productivity improvements, it needs to be free of market-distorting subsidies and supportive of market forces.

The above discussion of investment climate points to the importance of an effective state. All levels of government, including central, state and local, have an important role to play in creating the setting for markets and entrepreneurship to flourish. However, this does imply an over-intrusive government. On the contrary, instead of having a finger in every pie, the government should focus attention on its core tasks, such as establishing the rule of law and the right policy and regulatory framework, and ensuring good governance. This focus is necessary if the government is to help create a competitive environment for the private sector. In such an environment, consumers would have choice and entrepreneurial energies would be spent in catching up with global best practices, not in catching up with ministers in a quest for licences and permits.

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critical challenges for Bangladesh. Many of the best practices will be found in the developed world but some will be found in the developing countries too, including in our own backyard. Micro-finance is a case in point where Bangladesh is recognized the world over as the home of good practices. The question is not where the good practices reside; it is how we adopt and adapt these in our own country.

If we want to see our industries adopt and adapt good practices, we need to create an investment climate that both generates the incentives to do so as well as enables the economic actors to carry out the necessary actions. An investment climate that rewards entrepreneurship and opens doors for it is critical for rapid growth. The dimensions of a good investment climate include macroeconomic-stability, open and competitive markets, strong prop-

erty rights, rule of law and good governance, and an adequate supply of infrastructural and financial services. International experience suggests that open and competitive markets are the key to the adoption and diffusion of best practices. Open economies give people access to new ideas, products, techniques and ways of doing things. Competitive markets generate the incentives to adopt these good practices. Although Bangladesh has opened up its economy considerably in recent years, there are still many barriers to

important dimension of a good investment climate is a sensible governance system that allows contracts and property rights to be respected and corruption to be reduced. Equally important is an infrastructure that allows private entrepreneurs and their employees to operate effectively. In addition to competition, regulation is needed to channel private initiative in socially useful directions.

A sound financial sector is important too. This is required to allow firms to enter the market and operate effectively as well as to help restructure failing firms. An important task of the financial sector is to support entry of promising firms and reallocate resources away from failing or under-performing firms to more promising ones. A well-functioning financial sector operating at arms-length from political and corporate interests is crucial for

Anarchic communication system needs control

MOHAMMAD AMJAD HOSSAIN

IT seems the people in Dhaka metropolis in particular have become too frustrated with government's apparent apathy towards communication network. The other day the feeling was reflected in an off the cup remarks in a minibus by a group of managers of private companies located in Narayanganj. They travel to and from Narayanganj daily to attend their offices.

How the country is being governed to day? uttered one of them. All of them were riding the minibus from Shapla crossing in Motijheel on arrival from Narayanganj, destined for Dhanmondi and Mohammadpur areas. Incidentally the condition of the minibus was not road worthy. One of them replied that Allah was running the country. Why this question was raised? They gave a brief resume of the episode which compelled them to travel by the minibus. First, they asked a taxi cab to go to Dhanmondi, but the driver flatly turned down their request. The passengers in turn told him that he has bound to go by the law. The driver replied, who followed the law in this country? His typical but blunt reply reflects the state of affairs in the city. This reminds one of the warning given by the Minister of Communication on 25 July at a meeting with representatives of taxi cab companies, owners association, senior officials of the BRTA (Bangladesh Road Transport Authority), Dhaka Metropolitan Police and officials of the Ministry of Communication to the effect that action would be taken against drivers of cabs for refusal to take passengers by the employers on receipt of complaint from passenger. In this particular case the driver did not pay any importance to such warning. They,

however, did not approach the three wheelers i.e. baby taxi out of fear. Their impression of travelling by baby taxi was not very happy as they were the victims of hijacking in the past.

As the minibus was approaching Danik Bangla area the driver was commanded by two traffic policemen to stop on the main thoroughfare to check blue book and driving licence blocking the lane for other transports to pass through. This caused traffic jam.

During the course of interesting discussion one of the passengers questioned the wisdom of respective authority in constructing flyover near Mohakhali instead of Jatrabari to ease growing traffic volumes. According to their opinion Jatrabari has been bearing the load of 70 per cent vehicles to and from Chittagong, Sylhet, Comilla, and Munshiganj. According to one estimate, nearly one hundred thousand persons belonging to different trades and students pass through Jatrabari everyday to and from Narayanganj. A good planner should have selected Jatrabari for the construction of flyover to be followed by another at Gabtali. One of them, however, responded with argument that flyover near Mohakhali was being constructed to ease traffic jam for the benefit of the elite and foreign diplomats. Therefore, the preference. A discipline system was evolved in travelling by BRTC bus which is government owned. After the general elections in October last year not much discipline has been maintained in BRTC terminals for which conductors and passengers are equally responsible. There has been allocation of seats for each bus stop earmarked by BRTC but now-a-days such allocation is not strictly followed, which result in allowing more people to travel exceeding the limit of the

seating arrangement in the bus.

One of the passengers also drew the attention to the fact that the Minister for Communication warned the owners of vehicles plying on the roads that road unwholy vehicles would not be permitted to ply. Similarly black smoke producing vehicles should be phased out by September this year. To the utter surprise of many passengers old and worn out vehicles are yet seen on the roads.

It may be noted that environmental pollution caused by transport sector is rising, not only in absolute terms but also in relative terms compared to other energy consumption sectors. The old transports, and baby taxis are contributing to the increase in emission apart from growing traffic volumes.

There is a proverb that hit the iron when it is hot. The decision should have been implemented with the same enthusiasm as it was announced. The decision should also consider the repercussion on the passengers if no alternative arrangements are made simultaneously to ease the problems of communication.

Another passenger raised an interesting point. The condition of the road in the city. The digging up of roads by WASA, T and T Department and DESA without having mutual consultation makes things worse. There should be some sort of coordinated understanding between the Departments concerned to avoid digging up road several times causing problems to the passers-by and vehicles. This trend of digging up roads at day time also causes traffic jam, which is worst in Bangladesh. No one follows traffic rules. Unfortunately, traffic police are not properly trained in this country. It also makes one wonder how the traffic lights at different points in the city are

being misused since the owners of motor vehicles and rickshawpullers are not made to follow or understand traffic rules.

If the traffic is controlled manually why the trouble of installing traffic lights causing unnecessary expenses from the exchequer? On the other hand, drivers of all kinds of vehicles follow the traffic rules within the cantonment area in the city. No traffic police or military police is posted there to control traffic. Why these drivers do not follow the rules in the other parts of city? The Municipal authority in cooperation with Police traffic Department and Military police should conduct traffic weeks in the city.

If anybody violates traffic rules including VIPs, mobile courts should summarily convict the driver. In case of non-payment of fine, the vehicle should be seized immediately. And vehicle will be released subject to payment of fine. Another supervisory court should oversee the action taken by mobile courts. During office hour no one should be permitted to drive a car with a single person as has been done in the state of Singapore to ease traffic jam.

Another significant point came up in the discussion, which relates to the construction overbridges in the city.

The planning for construction of overbridges or flyover lacks vision. Possibly the planning was made to grab taxpayers' money, so to say. Some of the overbridges are of no use for users. Where there was a need for having overbridge, it does not exist there. For example, overbridge near Engineering Institute at Ramna Park or overbridge near BAF Shahin School are of no use. Why the colossal wastage of money? And in whose interest?

Another notable point of discussion was that Municipal authority constructed some lanes for the rickshawpullers but they never used it. With the switchover it disappeared overnight. In this process money from the state exchequer went to the pocket of contractors, and others. Why?

It is high time for the administration to understand the sentiment of the people and prepare plan in proper perspective. This was the sum and substance of the discussion that took place in the minibus, which in fact reflects the opinion of the conscious citizens of the country.

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Dengue Largely an administrative failure

SHAKEEL A I MAHMOOD

DENGUE is not new in the country. In 1965, dengue was detected as 'Dhaka Fever' and in 1999, 13.7 percent children were found infected with dengue virus in a serological survey at Chittagong Medical College. Since then, it has appeared to be a seasonal disease. According to the official statistics, 5551 persons were affected with dengue and 93 died in the year 2000. While in 2001, 1430 persons were infected with the virus and 44 died.

Dengue's spread and DCC's role: High profile publicities and words of hope about impending all-out war against Aedes mosquitoes are no substitutes for real and extensive activities in the actual breeding grounds of such mosquitoes. When the media have been reporting every day the build-up of the Dengue fever into its present near epidemic form for weeks and imploring really the Dhaka City Corporation (DCC) to swing into action immediately, the response of the latter to the urgency and the pleadings continue to be shockingly poor. The DCC's helmsman has been sounding furiously active no doubt in interviews about taking up the gauntlet against Dengue. About a fortnight ago, he was on record stating that DCC's killing squads of mosquitoes would take measures instantly. But the worried citizens were not aware of any such activities near their homes and areas. It was only the other day that the DCC's long awaited drive against the epidemic started from a ward in the city although by now all the more than 80 wards of the city should have been thoroughly sprayed and cleaned if the DCC authorities wanted to prove that there was relationship between what they said and what they actually did.

Even now, there is deep doubt about what good the belated show of activities by the DCC will bring. Reportedly, the larvicides are to be spread to kill the Aedes mosquitoes in their infant stages at the breeding grounds. But the DCC has not had any larvicides in its stocks for some months. Recently, it has taken steps to procure such larvicides but the arrival of the same could take another month. It has adulticides in its stocks but it is running out. With its present stock of adulticides spraying can be conducted for a maximum number of ten days. Thus, there is every reason to think that the DCC's pledged preventive measures against Dengue could be more a case of misleading information and not fact. Campaign for creating awareness, no doubt, is helpful to eradicate Aedes mosquitoes from the capital city and elsewhere in the country.

Under the circumstances, the Health Ministry should engage itself more and seek to import on emergency basis the needed larvicides and adulticides within days if an epidemic has to be avoided. Not only their import, the relevant ministry needs to intervene perhaps to ensure that the same are effectively sprayed throughout Dhaka city and other parts of the country from where notable outbreak of Dengue has been reported.

Conclusion: Even though the World Health Organisation has referred to dengue as a major international public health concern, Bangladesh has done precious little in the way of preventive public health works to stave off the disease. Since there are no known cures for the disease, public works including good solid waste disposal, improving water storage practices, regular insecticide deployment and effective public health education are crucial. Dengue poses as much of an epidemiological challenge as it does a challenge to good governance and public administration. An epidemic is largely a failure in public administration.

If needed, the hospital authorities should immediately arrange additional beds for increased number of patients. No Dengue patient should leave hospitals without receiving highest possible care. Dengue patients should receive highest care and doctors should take all precautionary steps for treatment of dengue hemorrhage fever. No country has been able to eliminate this dangerous disease. However it is possible to keep it under control.

Mother Teresa An inspiration undying

FATHER PATRICK GOMES

MOTHER Teresa has been given the title "Living Saint" because of her active charity rendered to the poor and the destitute with loving service. While on earth Mother Teresa was endowed with divine inspiration and Christ's compassionate love. Because of and in order to love with compassion the Mother's only motto was charity in service. Today September 5, is her anniversary of death.

Mother Teresa's attitude and actions: Ideals are kept open to us. When we live on ideals, we are on duty. And an ideal makes us live by attitude and a rule makes us live by action. For example, prayer is an action, prayerfulness is an attitude. By being driven by the attitude of prayer one puts himself/herself into action of prayer. Mother Teresa was filled with and by the spirit and attitude of prayer: she was spiritually driven by the attitude of the Beatitude (eight words of Blessing) proclaimed by Jesus on the mountain (cfr. Gospel of St. Mathew 5:3-12). With this attitude mother put herself into prayer-oral, mental and contemplative. She was found in the chapel before the Blessed Sacrament (that is Consecrated Bread in the tabernacle where Catholics believe is the real presence of Jesus Christ); she was found meditating and contemplating the words of God. Thus prayer and word of God made mother Teresa a person of prayer as well as a word-filled person like prophet Jeremiah (cfr. Book of Jeremiah 1:9). She was very faithful to participate in the daily Holy Mass, the Eucharistic celebration, a central prayer structured with proclamation of the world of God from the Bible followed by offering of sacrifice with bread and wine which is turned to the real body and blood of Jesus Christ through the words of Consecration said upon the offering of gifts by the ordained Catholic priest. Thus prayer, word of God and Holy Mass made Mother Teresa a person totally of and for God.

A life lived by Beatitudes: With the attitude of prayer and Beatitude of mercy and charity mother Teresa was led by divine inspiration to put into action her attitude. Moved by this compassionate love Mother Teresa practically with nothing but God's grace and providence began her works of mercy and charity among the poor, the afflicted, the orphan, the dying, the unloved, the illegitimate. This was her very embryonic but extremely revolutionary beginning.

Her universal love and charity had no border or boundary. She went to the streets, to the slums, to the dying, to the prisoners, to the drug addicted, to those who are born illegitimately or those who are unwanted. She was a religious or a consecrated person with perpetual vows of chastity, poverty and obedience. These vows she embraced because of and in order to love, a love in action of charity. Mother's charity had the fecundity of charity in service. Thus with her chastity, poverty and obedience to the will of God and to the "will", "call", "needs" of the destitute humanity sister Teresa became a Mother Teresa to all with her spiritual and universal motherliness.

A life of challenge and risk: Not withstanding many trials, misunderstandings, misinterpretations, even sometimes rejections Mother Teresa moved forward with her convictions that what she was doing was according to the plan of God. God never wants humanity to be enslaved by sin, sufferings and afflictions -- God wants every man to be free and to worship Him freely. This truth is very clear in the Salvation History narrated in the Bible (Old Testament) and in the life of Jesus (New Testament). Mother was very much firm in her conviction and so by the power of God's grace she faced and overcame challenges. Surprisingly, thousands of calls came to her from different parts of the world to bring her charity and love to the people poor in different aspects. And it is true that a materially well off country, society, family or a person can be very much poor in many aspects of human life: moral, religious, psychological along with material poverty.

Fruits of her movement: Founded on Gospel values, particularly the Beatitudes, Mother Teresa's movement of charity and her option for the poor had miraculous effects: peace and joy. According to her the fruit of prayer is faith, the fruit of faith is love, the fruit of love is service and the fruit of service is peace and joy.



Wherever Mother and her Missionaries of Charity were and are, there were and are these visible fruits.

Bangladesh context: Bangladesh is a poor country, poor in many aspects. Mother Teresa came to Bangladesh, opened different houses in Dhaka city and in other towns and villages. Missionary Sisters are continuing the mission -- tasks of Mother Teresa. The Sisters' charitable works in Bangladesh are: caring the sick, the afflicted, the dying; caring and loving the children many of whom are unwanted or found abandoned on the streets; caring and loving the mentally or physically retarded. Sisters go to the poorest of the poor with simple religious dress (habit) initiated by Mother Teresa: a simple blue border white saree with a cross pinned and a holy rosary often in hand. They pray even when they travel with simple sandals or if not barefooted. Initiated by Mother the whole life style of the Missionaries of Charity manifests total commitment and dedication for love and service to the poor. And in Bangladesh it is a challenging ideal to be inspired and followed by all.

Beginning from state authorities to the least known in the society and family we all speak from the stage and pulpit about love and charity. We advise others in a fantastic manner and technique using attractive words and phrases to be followers of people like Mother Teresa and be in action of selfless service. But Mother's life brings back to our conscience an authentic and realistic question: how much, as heads of social, political, educational, administrative, religious communities are we inspired by the exemplary life or lives? Do we practice in service what we preach from the stage?

Bangladesh needs today dedicated people. Today our country longs for those personalities who are ready to serve the poor, the sick, the unloved unconditionally, expecting no reward or recognition in return. When we, rarely though, do experience this love and service, we are attracted by them. We experience in some dispensaries, schools and colleges the same love in action and service that Mother Teresa began with in this world.

Conclusion: Serving God becomes a reality in serving man. Jesus says that whatsoever we do to the least of our brothers, that we do unto Him. When we give food to the hungry, drink to the thirsty, shelter to the homeless, visit the prisoners, provide health care to the sick, we serve God. And thereby we become worthy to enter to the kingdom of God, the heaven (cf. Gospel of Mathew 25:31-35).

Today we commemorate the death of Mother Teresa. Let us not only pay our tribute to her with flowers, but be inspired to love and serve the poor wherever we are and whatever environment and circumstance we are in. May Mother Teresa bless our country, our people, especially those who are poorest of the poor.