

From agricultural parastatals to private trade: Does this work?

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RABI season has set in for growing a variety of crops that includes Boro rice, wheat, mustard, onion, and potato, among others. The *Prothom Alo* (December 7, 2003) headlined the news item that the farmers of Rajshahi, Khulna and Barisal are facing acute crisis of Boro, potato, onion, wheat and mustard seeds. In addition, it has drawn attention to the fact that in Barisal a long time popular variety of Boro rice seed called BR-11 has not germinated leading to total damage of the expected crop in that area.

Almost every year there are some localised shortages of Boro and at times wheat seeds. This year the seed crisis seems to have grown out of proportions. The entire blame for the crisis has been sought to be placed on Bangladesh Agriculture Development Corporation (BADC) and also the private sector dealers. These dealers, it is alleged, have taken full advantage of the shortage in supply and priced the seeds at a level beyond the capability of the farmers to buy. The news item referred to has estimated that because of this speculative behaviour of the private sector dealers, the farmers would have to spend an additional amount of Tk. 500 million. How this estimate was arrived at was not, however, spelt out in the news item. At a time of seed crisis there is a tendency to merge and then confuse BADC's role in seed production, supply and sale. BADC neither is nor can be capable of meeting the total seed requirement of the country.

Seed market in Bangladesh, as is common for other developing countries, is heavily dominated by the informal sector. It is necessary, therefore, to place things in correct perspective and suspend our judgment for the moment on this vital issue. The seeds referred to in the news item are analysed in terms of total seed requirement and BADC's capability to supply the same. The figures used relate to 2002-2003 and the situation has not changed much and may in

Name of Crop	Total Seed	Target of BADC		Actual Supply		Percentage of Actual to	
		Requirement	(2002-2003)	Requirement	(2002-2003)	Requirement	(Target (2002-2003))
Aus	109,343	336	303	(-)	90		
Aman	184,774	6,318	5,885	3	93		
Boro	89,435	8,380	8,187	9	98		
Total Paddy	383,552	15,034	14,375	4	96		
Wheat	105,893	12,416	12,390	12	100		
Maize	63	164	160	254	98		
Vegetable seeds	0.40-50.00	12	12		100		
Potato	330,615	6,418	6,418		2	100	

Note: (-) indicates less than one percent. Figures are rounded to the nearest one.

The issue of close monitoring of demand and supply situation assumes paramount importance. As things stand now, there is a committee located in MOA. Its membership includes officials from Department of Agricultural Extension (DAE), research institutes and BADC. There is need to adopt a more professional approach in location-specific demand forecast and appropriate steps to meet the demand.

fact have deteriorated given the total lack of attention to strengthen public sector seed supply. The total quantity required and the quantity supplied are shown in the table.

BADC's capability since the eighties has been seriously eroded because of the shifting policies and strategies pursued by the donors. First came the idea of commercialising seed production through the establishment of a separate Seed Corporation. The World Bank in 1981 under the promise of funding Cereal Seed Project Phase II (CSP II) proposed this. The government of the day was not fully averse to the concept. However, the final negotiations held in Washington in 1981 led to a break down mainly because of the stiff conditionalities on commercial pricing of seed.

Then came German Agency for Development (GTZ) assistance, which continued till late eighties. Other major donors such as Asian Development Bank (ADB), United States Agency for International Development (USAID) and the World Bank (WB) called for total privatisation and gradual withdrawal from seed marketing by the public sector.

With a kind of hindsight, it is possible to recall that way back in 1988-89, the World Bank mounted a technical assistance project (TA) to determine the future role of BADC in the changed context of privatisation of agricultural input trade. The University of Illinois was contracted to complete the study and the local associate was the Rahman, Rahman and Huq, a Chartered Accountant firm. Report was submitted. Both the World Bank and the government as it then was, remained silent.

During 1996-2001 period, a committee was constituted with a Secretary as Chairman to submit a report on restructuring of BADC. The report was submitted in late 2000. No action as yet is visible.

As part of the conditionalities of different aided projects, the closure of BADC's Thana Sales Centres (TSCs), more or less on the same lines as USAID had done in case of fertilizers, was effected. BADC had to close about 400 TSCs. At present, there are only 78 such centres. BADC's wholesale outlets are 22 from which 1,800 registered seed dealers lift seeds and supply to farmers. However, not all 1,800 dealers are active. Depending on the number of active dealers, shortages occur at places. In line with the free market policy, the dealers can set any price for onward sale to farmers. A Seed Policy was framed in 1992, which stressed on the need for private sector development in the sector more or less on the same lines as the donors wanted.

GTZ in the late nineties came up with the idea of private sector seed companies. Under this initiative, as many as 23 private seed companies on a small scale have been set up. Non-government Organisations (NGOs) also started to be in seed business. Seed Industries Promotion Unit (SIPU) has been set up in one of the projects under the Ministry of Agriculture (MOA).

During 1996-2001 period, MOA realised the need for strengthening public sector seed production and supply. The rationale was on replacement of seeds, which have lost their genetic quality. As many as 10 new Seed Processing Centres were set up by BADC to ensure steady and stable supply situa-

tion keeping in mind the need to achieve self-sufficiency in food.

In addition, MOA also took the initiative of strengthening the informal seed market which operates on farm level seed production. The project then initiated has led to encouraging results and contributed to stabilising supply for cereal seeds only. Seeds of other crops are not covered by the project. The statistical data for production of farm level seed maintained by the Project Director's office indicate that production of seeds is fairly stable and has increased manifold from 7,159 tons in 2000-2001 to 19,960 tons in 2002-2003 for Boro. Information gathered from the Project Director's office indicate that last year also there were local shortages, but the situation could be overcome from farm level seed production. He seems hopeful that the situation can be tackled this year also.

An important development relating to the future of the project is that the project is under transfer to the revenue budget following a recent decision by Executive Committee on National Economic Council (NECNEC). This is a step in the right direction as seed production at farm level is a recurring activity and the support provided by the government conduces to additional income generation for the farmers. However, unless transfer of the project and its timely funding under revenue budget is made, a crisis situation of real nature will have to be faced next year during Boro season. This is an aspect, which needs immediate attention of the government. Additional issues relating to fund management will also need to be addressed because fund management under revenue budget is much less flexible than under development budget.

Reverting back to the news relating to the crisis and BADC, it should be distinctly understood that along with the so-called crisis the substantive issue relates to quality of Boro seeds supplied by BADC in Khulna and Barisal. This needs impartial investigation by the MOA based on which corrective actions need to be taken. Inquiries with the Ministry and BADC indicate that some senior officials from BADC are already in the field apparently to look at the allegations. In this context, it needs to be mentioned that in the past

also there were some isolated complaints on this issue. Inquiries then conducted proved that many dealers filled up BADC's seed bags with non-seed grains and sold the same to the farmers. Privatisation of seed marketing, therefore, calls for intense monitoring relating to quality and supply. This raises the issue of, apart from speculative behaviour of private sector dealers, their ethical standards. How this issue will be addressed remains an open question.

At the same time, there is need to identify factors that impede BADC's seed operation in a user-friendly way. Available information indicate that funding of seed operations of BADC is a major problem. BADC, for seed production, operates through what is known as the contract growers system. This essentially involves contracting arrangements with seed producing farmers well in advance of the crop season. Prices are to be negotiated, while the standards of quality are already set by the National Seed Board (NSB). It is said that fund management to run the contract growing operations are in a state of disarray. Much of the funds received are diverted to pay for other operations. This aspect needs close scrutiny. Available information also indicate that payment to the contract growers are in arrears. If this is the case, there is likely to be a breakdown of the contract growing system creating problems for BADC to whatever little seed they need to supply. BADC's failure to maintain supply will further encourage speculative behaviour of the market.

At the end of it all, the issue of close monitoring of demand and supply situation assumes paramount importance. As things stand now, there is a committee located in MOA. Its membership includes officials from Department of Agricultural Extension (DAE), research institutes and BADC. There is need to adopt a more professional approach in location-specific demand forecast and appropriate steps to meet the demand. In addition, location-specific varieties based on farmers' choices need to guide the seed production process. BADC also needs to adopt an equally professional approach in marketing seed in which they appear to be deficient at the moment.

The lesson that emerges from past and current experiences is very simple. We should get away from the disabling notion that the public sector can do nothing right and that the private sector can do nothing wrong.

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The 'Neocons', American foreign policy and anti-semitism

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AS the world watches the continuing turmoil in Iraq, it would be useful to reflect on extensive media commentary in the United States and elsewhere pertaining to a small and cohesive group of practitioners and thinkers who are supposed to exercise considerable influence on the strategic direction of American foreign policy. Media pundits use the label 'neoconservatives' to describe some of President Bush's key advisers, although they are neither 'neo' nor should one be 'conned' into thinking that they represent the entire spectrum of the conservative tradition in American politics. Perhaps a more appropriate epithet to describe this group is offered by Joseph Nye Jr., Dean of the Kennedy School of Government of Harvard University. He calls them 'American triumphalists'.

A good way to gain an insight into the triumphalism of the 'neocons' is to focus on the 'Project for the New American Century' (PNAC). PNAC's Statement of Principles, issued on June 3, 1997, clearly says that its central aim is to 'make the case and rally support for American global leadership'. In order to do so, PNAC claims that American policy makers would need to increase defence spending significantly, forge closer links with democratic allies, challenge regimes hostile to American interests, promote the cause of political and economic freedom abroad and accept responsibility for America's unique role in preserving and extending an international environment 'friendly to (its) security, prosperity and principles'. PNAC concludes its statement of principles by suggesting that a 'Reaganite policy of military strength and moral clarity' needs to be resurrected in order to build on US 'successes of this century and to ensure (its) greatness in the next'. In September 2000, PNAC released a document that offered a strategy for 'Rebuilding America's Defenses' that would ensure perpetual global pre-eminence.

On January 26, 1998, PNAC associates (18 in all), that included Donald Rumsfeld and Paul Wolfowitz, wrote to Bill Clinton: "...if Saddam does acquire the capability to deliver weapons of mass destruction, as he is almost certain to do... the safety of American troops in the region, of our friends and allies like Israel and the moderate Arab states and a significant portion of the world's supply of oil will be put at hazard". The letter urged his Administration to implement "...a strategy for removing Saddam's regime from power". PNAC was confident that the US has the authority under existing UN resolutions to take the necessary steps, including military steps, to protect our vital interests in the Gulf. "In any case", PNAC noted in exasperation, "American policy cannot continue to be crippled by a misguided insistence on unanimity in the UN Security Council". One need not labour the point that the PNAC offered the intellectual blueprint for the current Bush strategy on Iraq.

Recent commentators on the 'neocons' have unfortunately decided to highlight the fact that some of the luminaries associated

with this group are Jewish Americans. This has offered an opportunity for neocon insiders to smear its critics with anti-Semitic slander. Of course, one should readily reject the idea that US foreign policy is the product of a Jewish conspiracy as frankly ridiculous and repugnant. It is easy to debunk a Jewish conspiracy, as Bill Keller of the New York Times has so effortlessly done. After all, the neocons can enlist among their adherents eminent practitioners of appropriate ethnic diversity, such as Francis Fukuyama, Zalmay Khalizad, and Fouad Ajami. In particular, Ajami's pronouncements on Iraq and the Middle East are simply a more eloquent variation of Bush's vision of enforced democratisation through military conquests.

The neocons have been admirably transparent in propagating their views. Any interested reader can follow their highly visible paper trail and build up a coherent picture of what this group stand for. Their preoccupation with regime change in Iraq makes explicit what has, in the past, been implicit occasional, but covert, CIA-inspired efforts to install regimes perceived to be friendly to US interests. As Chalmers Johnson reminds us in his book *Sorrows of Empire*, this tradition of US-inspired regime change goes back to 1953 when the Prime Minister of a democratically elected government in Iran was assassinated, thus paving the way for the pro-American Shah of Iran.

The neocons did not suddenly emerge under the Bush Presidency. They have been around for a long time. As Robert Dreyfus (cited by the Columbia Journalism Review as the 'best unsung investigative journalist working in print') claims, they initially coalesced around Democratic senators Henry Jackson of Washington and Daniel Patrick Moynihan of New York before transferring their loyalties to the Republicans under Reagan.

It would also be naïve to suggest that the notion of American global leadership is merely a Republican cause. As Noam Chomsky has argued, the US decided to move from containment of Cold War enemies as a foreign policy tool to the aggressive enlargement of American ideals with the collapse of the Soviet Union. The Democrat President Bill Clinton embraced the notion of enlargement, except that it primarily manifested itself through the ideology of American-led globalisation.

Thus, a characterisation of the neocons as a Jewish-led cabal of an exclusively Republican cause is both offensive and incorrect. Despite this, what concerns both neutral observers and vocal critics of American foreign policy is that some members of the PNAC, if not many of them, may be regarded as Israel's Likud party lobbyists. They should be clearly distinguished from the many voices and views that make up the diverse community of Jewish Americans, many of whom have long distinguished themselves as dissidents.

Several commentators have referred to the fact that some PNAC associates (such as Richard Perle) played a central role in proffering, in July 1996, a position paper for then incoming Israeli Prime Minister

Benjamin Netanyahu that called for a 'clean break'. The advice focused on a 'new strategy for securing the realm'. What were the elements of such a strategy? Rejection of the Oslo Accords as well as the underlying notion of 'land for peace'; permanent annexation of the entire West Bank and Gaza strip; regime change in Iraq followed by similar developments in Syria, Lebanon, Saudi Arabia and Iran. If Israel is surrounded by democratic and moderate states in the Middle East, then it provides one way of offering durable security for a core American ally, enabling Israel in turn to reduce its economic and military dependence on the United States. Whether the 'clean break' mindset has played a significant role in the invasion of Iraq will always remain a matter of debate. What is clear, however, is that such a mindset among key advisers in the current US administration has seriously impaired the capacity of the United States to act as an honest broker in mediating the Israeli-Palestinian conflict.

The late Edward Said lamented the ascendancy of the neocons. To him, they represent a failure of American democracy. I am less pessimistic. Mature democracies have a habit of disengaging from extreme ideas, although such ideas may take hold temporarily. I suggest that the neocons will fade from prominence once the Bush Presidency passes away. I believe that the neocons are themselves aware of their fleeting prominence. Hence, their breathless haste to capitalise on the rare window of opportunity offered by the September 11 attacks (their 'Pearl Harbour'). Hence, their indecent obsession with Iraq.

As the world seeks to respond to the Reaganite resurrection of 'military might and moral clarity', critics of the neocons would have to do better than retreat to the disreputable terrain of conspiracy theories. They will have to firmly and relentlessly refute the anti-semitic slander. They will have to argue that there is a credible, and well-established, alternative to the imperial tradition in American foreign policy. As Joseph Nye Jr. has argued, American triumphalists both Jewish and non-Jewish neglect the fact that global leadership derives from both 'hard power' (embodied in military might and economic prowess) and 'soft power' (embodied in values and institutions). Durable benevolent hegemony on the world stage in the 21st century requires the projection of 'soft power', enabling leading nations to co-opt adversaries and reinforce ties with allies. It requires a resolute commitment to multilateralism and international cooperation providing a forum for the voices of small actors to be heard in the diverse community of nations. It seeks to persuade and convince 'them' to join 'us' rather than coerce 'them' to support 'us'. A benevolent hegemon aims to be part of the world rather than aiming to own the world. If the US, as the unrivalled superpower, expects the world to accept its hegemonic embrace, then it must do so through inspiration rather than invasion.

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Gene revolution and genetic contamination

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THE pendulum of science swings between the two extremes -- hope and fear, progress and distress, dream and disaster. Hopes are often created as high to excite and attract mass interests, and eventually to end up with the fear of devastation. Fear breeds tension, causes nervous breakdown and dissolves senses into an inescapable domain of an erratic, horror-stricken future. This is possibly the politics of science. In its process, the recent 'innovative' endeavour that has stormed the market is biotechnology manufacturing genetic horrors to feed the 'hungry' around the world. This endeavour amounts to a 'gene revolution' which ironically tends to wreck the 'innovative' dreams into the nightmares of 'genetic contamination'.

Biotechnology: Biotechnology refers to a range of engineering technologies which manipulate the biological material and organisms. 'Biotechnology', 'Genetic Engineering (GE)', and 'Genetic Modification (GM)' are all commonly used to refer to the artificial insertion of genes from one organism into another to generate a transgenic or Genetically Modified Organism (GMO). For example, the toxin-producing trait of a bacterium applied to a crop plant to deter pest attacks.

Expected benefits: The GE proponents claim that biotechnology offers the following benefits:

& It can increase crop yield by giving a larger grain head and shorter stem.

& It can control weed. Plants can be developed as tolerant to agricultural chemicals. The "Roundup Ready" soya of Monsanto is resistant to its own herbicide.

& It can be disease-resistant. Crops are developed with built-in resistance to major viral and other diseases.

& It requires low application of chemicals. Plants can be genetically engineered as having insect toxins to reduce the application of chemical pesticide.

& It develops tolerance to hostile environment. The GE crops may survive in hostile situations dominated by excessive salinity, alkalinity, or drought.

& It reduces soil erosion. The GE plants can resist root disease and reduce the need for frequent tillage causing soil erosion and water loss.

& It can produce more nutritious rice varieties such as "Golden Rice" which is engineered to contain beta-carotene convertible into Vitamin A.

GM crops and fishes

With these high hopes for benefits, the multinational companies (MNCs) are promoting genetic plants, crops, foods, fishes, animals, etc. The successes and failures are manifest in some of the examples presented below.

GM Soybean: The global soybean market is one of the big domains of the transnational corporations (TNCs) and their commercial networks spread across the world. The United States, Brazil and Argentina account for about 90 per cent of soybean exports. Brazil alone occupies 26.4 per cent of grain,

24.8 per cent of soybean meal and 16.2 per cent of soybean oil exported worldwide.

GM Cotton: The GM cotton technology is 'a package that includes the herbicide which the cotton is engineered to tolerate -- usually glyphosphate'. It is developed from the transplantation of the toxin-producing genes from the *Bacillus thuringiensis* (Bt) insecticidal bacterium into cotton. It is grown commercially in Brazil, Argentina, Australia,

China, South Africa and the USA. Its production is speeding up around the world with huge application of the most toxic pesticides ('synthetic chemicals') on the cotton crop. According to an estimate, this cotton was grown on 5.3 million hectares of land representing 16 per cent of the total cotton area cultivated worldwide by 2000.

GE Fish: The development of GE 'cold-tolerant' and 'disease-resistant' fish began in the early 1990s. Researchers transplanted the growth hormone genes from human or animal sources into several fish species such as salmon, carp, trout, medaka and tilapia. The transplantation of genes causes the fishes to grow several times faster than the natural ones. An article entitled *Geneti-*

cally Engineered Fish: Swimming Against the Tide of Reason by JV Aken (2000: Greenpeace International) reveals that the TNCs are applying this fish technology in Canada, China, Israel, New Zealand, Taiwan, Thailand, the UK and the USA. According to this article, millions of GE salmon and trout are swimming in thousands of fibreglass tanks in Canada. Many companies have taken a drive with grant from the US Department of Commerce to develop and 'commercialise GE

those of the conventional soybeans. In 1998-99 GM soybeans cost 611.70 US\$/ha in the USA, whereas conventional soybeans cost 373.80 US\$/ha in Brazil (Pelaez and Schmidt, 2001 cited in *Genetically Modified Soybeans: Blessing or Curse for Brazilian Agriculture?* by Weid & Tardin. In: *LEISA, Magazine for Low External Input and Sustainable Agriculture*, December 2001). In addition to the economic concerns, scientists have warned that the intensive use of herbicides, as these are chemi-

Bravo, a biologist from Accion Ecologica, Ecuador remarked, "Cotton is used in women's sanitary napkins and tampons, in babies' nappies, in bandages and other wound dressings." This is extremely dangerous, she warned and called for destroying all transgenic cotton crops and avoiding cotton and cottonseed. The UK government has given 'strongly worded advice' against the approval of Monsanto's transgenic cottonseed in February 1999. The European Union rejected

to 2 per cent. About 50 per cent of the native species disappeared from the Lake because they were not able to cope with the new species with insatiable hunger. Similarly, the release of GE fish into a natural environment could load a heavy burden on the native fish populations. The release of GE fish into the natural environment, therefore, creates a global risk of increased feed for the enhanced growth of the GE fish. This could have a devastating effect on the natural environment and can lead to ecological disasters as well.

Seeking alternatives

Due to the costs and the detrimental effects on health and the environment, many small-scale farmers are seeking alternatives. Many have already resorted to organic crop production which relies on rotation, organic fertilisation and on non-synthetic chemical pest control methods. The production systems are site-specific and determined by local conditions. In Benin, for example, a palm oil tree residue is used as fertiliser. In Uganda, a species of black ant is used for pest control, and in Senegal, *neem* extract is used for pest control. Moreover, they grow other crops in their integrated systems and thus save their health, their animals and their environment. The country reports of the PAN UK which is currently involved with partners in research covering all the African organic cotton projects indicate that farmers choose to stay in the organic system with their knowledge and experiences building a credible alternative to conventional production increasingly dominated by GM crops

fish that grow quicker, require less feed and are more disease-resistant'. A Cuban biologist has claimed that they have already produced 30 tonnes of growth-enhanced tilapia awaiting approval for commercial use in Cuba.

Genetic contamination: Risks and concerns

The 'gene revolution', however, entails 'genetic contamination' creating enormous economic, environmental and ecological risks and concerns. The GM seeds are more expensive than the conventional ones due to a 'technology fee' included in the price. The increased costs then 'outweigh herbicide production costs'. The production costs of GM soybeans are thus higher than

Conclusion

The biotech means of achieving quick, short-term and immediate benefits looks like generating long-term frustrations. The most fearful impact of gene revolution is genetic contamination. The European Commission has already expressed its concern about the tolerance level of GMO contamination of seeds. It has suggested the 'spatial and temporal limitations' of the GMOs in the areas where the conventional seeds of different plant species are produced. In this regard, Haslberger, in an article entitled *GMO Contamination of Seeds*, argues that even if the tolerance levels are established for seed production the flow of 'recombinant genes' may not stop gene reversal which will ultimately result in 'significant contamination of ecological systems and food production chains'. Before taking a stance, therefore, policymakers must beware of the biotech horrors being manufactured by the profit-driven TNCs.

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