

Business competitiveness

Performance better despite negative factors

THIS is sort of a curtain-raiser on what we might expect to see in the Global Competitiveness Report 2004-05 to be published by the World Economic Forum. But we have to keep our fingers crossed over Bangladesh's ranking relative to other countries till such time as the report is not released.

It is a very interesting survey that the Centre for Policy Dialogue (CPD) carried out on a hundred top companies to appraise itself of the business environment in Bangladesh as seen through the eyes of players in the field. The World Economic Forum will make use of the data collected and deductions made by the CPD to determine Bangladesh's standing in terms of competitiveness in the world of business.

The conclusions reached by the CPD go to show that whilst business competitiveness slid further last year the corporate sector showed robust resilience with gains made in production, export and employment. It is significant that in spite of corruption, bureaucratic inefficiency, lawlessness and crime the corporate sector performed well mostly because of its ability to 'adjust with the global changes'. Investment, employment, production and export performance improved in the first nine months of the 2004 fiscal compared with the score card of the year before.

Improved corporate sector performance should not lull the government into believing that the off-repeated criticisms levelled against misgovernance are any misplaced or diluted. In fact, the gains would have been so much more had the police functioned for the protection of businessmen and the parliament and the judiciary been more effective. It is edifying to note that 91 per cent of the companies waxed critical of the government officials' favouritism toward well connected firms and individuals. As many as 54 per cent of the respondents held the view that donation to political parties influenced policy outcomes. The legal framework for private business remains vulnerable to manipulation.

On the positive side we have the non-resident Bangladeshis investing more and more in the country mostly in the real estate, housing, readymade garment and textile sectors and hotels and restaurants. Obviously their full investment prudential is yet to be tapped and realised. This is one area where we must lay a greater emphasis on. That the Bangladeshis are finding investment opportunities abroad comes as a pleasant surprise. It is perhaps a sign of both entrepreneurial maturity and lack of confidence in the investment climate of the country. Whatever it is, there is so much to do on the part of the government to facilitate further growth of the corporate sector.

Frequent flooding inside DND dam

Will the authorities wake up now?

THE plight and unbearable sufferings of the people living in the entire Dhaka-Narayanganj-Demra, in short DND, embankment area is a clear example of unplanned urbanisation and lack of contingency planning. The whole area surrounded by the dam has been totally waterlogged since the heavy downpour of last week bringing miseries and chaos to the lives of the residents. Many residents have been leaving their homes for other accommodations, since there is no sign of the situation improving even after a week. Others remain in the area braving the calamity in whatever way they can.

How can they expect a quick change anyway? There is no drainage system in the area, the pumping machines being used to pump out the water do not seem to be effective; so basically they are trapped in a vicious circle of manmade disaster. First of all the dam was essentially built to protect the capital and its surrounding areas from devastating floods like the one in 1988. In fact it gets flooded almost every year if there is heavy rainfall. Even during this year's floods, the area was submerged but the residents said water level began to recede after some time. Unfortunately that wasn't the case after the unexpected heavy rainfall of last week. Local residents say the present situation is unprecedented.

But what we do not understand is since water logging in the area is common feature, why did the authorities fail to take any precautionary measures for unpredictable situations like this? Why did they allow unplanned urbanisation in the area in the first place? And even if they did, why were not there any steps to make it habitable? Can anyone actually imagine a habitat any where in the world without a drainage system? It is impossible to feel the sufferings and distress thousands of people marooned in waist deep water have been going through. All we can do is hope that the authorities concerned would not just sit on the crisis.



MUHAMMAD ZAMIR

Crafting a constitution for war torn Iraq

armed conflicts to reconciliation and political stability. This list includes -- Albania, Bosnia-Herzegovina, East Timor, Eritrea, Ethiopia, Cambodia, Namibia, Nicaragua and Zimbabwe. This process of change is still on in Afghanistan and has just started in Iraq.

Most jurists agree that crafting a permanent new Constitution for Iraq will require vision and flexibility. The future sharing out of power, rights and obligations in that country and creation of a framework for forming

be two different outcomes -- a highly fragmented assembly constituted of representatives from more than fifty political groups or the possible domination by religious parties.

These are very valid reasons for not rushing into such a scenario. I believe that it would be better to allow political platforms to emerge through transparent and intensive dialogue between representatives from the Sunni Arab, Shia Arab and Kurdish communities. This will enable alternative political groups to

will guide the process of transition.

Less than six months are left before the next stage of the constitutional evolution moves forward in Iraq. It might therefore be advisable to consider forming a constitutional Preparatory Commission (CPC). The interim government could select the composition of this body and also lay down its structure, mandate and rules of procedure. This could then act as a forum for reflection and debate, with members from different important politi-

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lem that will have to be tackled first is the question of security. This is an important pre-condition for free and fair elections. At this point of time, this is just not there. Unless this is ensured, the voting will be, more likely than not, coerced. Without this element, both election workers and voters will be unable to exercise their respective responsibilities suitably and the electoral outcome will not gain the desired acceptance.

In this context, I also agree with

democracy. This opportunity must not be lost.

It would therefore be important for the authorities in Baghdad, Washington, London and New York to have the necessary political will to:

a) address security issues that inhibit meaningful debate and consensus building among all stakeholders;

b) establish transparency in the constitutional process;

c) involve as many key stakeholders as possible in drafting the new constitution;

d) make sure that the Constitution rests on a substantive consensus regarding fundamental principles;

e) prepare comprehensively about the preparatory work that includes methods and timetables according to which the new constitution will be written, discussed and subsequently approved;

f) not allow any particular political force to dominate the constitution drafting body;

g) ensure that the dialogue among the key stakeholders are thorough so that there are no remaining bones of contention;

h) promote legitimacy by encouraging popular participation and

i) make sure that the new Iraqi constitution incorporates principles of universal human rights, including the rights to participation and democratic governance.

Muhammad Zamir is a former Secretary and Ambassador.

POST BREAKFAST

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a stable government and a democratic constitution will need accommodation of many contradictions.

If democracy means the rule of the majority, the majoritarianism will be opposed very strongly in that country by the Sunni Muslims and the Kurdish ethnic community. It will be difficult for them to agree to Shiite Arab domination (who constitute 60 per cent of the population). The other difficult question will be that of federalism and the status and integration of the Kurdish 'autonomous' areas within the national polity.

Added to this is the anxiety that if constituent assembly elections are held prematurely, then there might

emerge and arrive at some degree of consensus. The new Special Representative of the United Nations Secretary General Ambassador Ashraf Jahangir Quazi could monitor this exercise and clarify the rules of the game along with the Iraqi Administration now in place.

The recent efforts of UN Under-Secretary General Lakhdar Brahimi enabled the CPA to avert a crisis by offering a timetable for elections that all sides found acceptable. This success should not be lost and efforts should now be made to build on this and develop consensus among all Iraqi stakeholders with regard to a general set of principles, consistent with international law that

the assumptions of Jamal Benomar, a senior advisor to the UNDP, who has stated that 'if the international community and the Coalition are committed to the legitimacy of a new Iraqi constitution and to the future of democracy in Iraq, they should recognise the absolute necessity of a thorough, unruled and consultative constitution-making process that takes account of lessons learned in other countries.' We must be careful at this crucial juncture of Iraq's history. The way the constitution making format is implemented could determine whether Iraq moves towards further chaos and authoritarianism or undertakes the true path of good governance and

OPINION

Looking at the East Asian development dynamism

MONZUR HOSSAIN

NOW-A-DAYS from academic discussion, newspaper articles and from government's strategic vision, suggestions are made like that the Bangladesh government should turn its eye to the east to achieve its development goals. This means that the government should try to strengthen its bi-lateral and multi-lateral ties with the East Asian miracle countries. The suggestion is justified by the main facts that (i) 'our neighbour' India's big market is not virtually open for us, (ii) India often causes trouble to the process of our economic development, and (iii) we are not getting benefit from the SAARC as the member countries do not think the 'development goals' regionally, rather they think it individually and try to maximise own benefits even by making decisions which may be harmful to others' interest. But the scenario is quite different in the East Asian region, where the development goals have been achieved mainly by regional cooperation. East Asian (EA) countries' success in achieving take-off within last two to three decades from the 'poor-status as like as present Africa' is extremely praiseworthy and the World Bank termed it as 'miracle'.

The questions are what we were doing at that time and what we can do now? To set our East-looking strategy, we need to understand the East Asian Development Dynamism. It is widely thought that Japan is the main architect of this regional development dynamism. Nonetheless, the way the EA

feeling among the researchers and academicians about the role of democracy on development. However, unfortunately we missed many opportunities of development in the 1980s, which I may call a 'lost-decade' for Bangladesh.

What we can do now? To set our East-looking strategy, we need to understand the East Asian Development Dynamism. It is widely thought that Japan is the main architect of this regional development dynamism. Nonetheless, the way the EA

lived, after that ASEAN 4 (Thailand, Malaysia, Indonesia and the Philippines) joined. Now Vietnam, Laos, Cambodia (Myanmar can be ignored for its bad political situation) are on the way. The pattern of their flight is commonly known as that of 'flying geese', one group following another. How this has happened? Once a group was caught in regional dynamism, they were under constant pressure to improve technology, human capital, competitiveness etc. for survival in the

tionist state, large diversified business groups (for example, pre-war Zaibatsu and post-war keiretsu in Japan, chaebol in Korea), an abundant supply of competent salaried managers and engineers, an abundant supply of low-cost well-educated labour force, and the important one from my point of view is their development-minded bureaucracy. State interventions such as subsidies, different interest rates, different prices for import and export etc. is thought as the

isising, or will never be industrialised.

While the revolution in the west is based on inventions and innovations, late-industrialisation in the East has come about a process of 'learning by doing'. Only the 'institutional set up' has been found significant in their development rather than other elements like natural resource endowment, population, and market. The corporate institutions (inclusive of R&D) first borrowed technology, and then modi-

Apparently only integration with the ASEAN regional dynamism can make difference for us if, and only if, we really want to be in a catching-up position. The historical process of industrialisation always tended to allow leaders and laggards, forerunners and followers. Vietnam has already set its target to be industrialised and modernised within 2020, with an existing growth of around 7 percent. Japan can help us in this regard if we could be able to pursue them, at government level as well as individual level, because Japan has strong influence over the region.

countries became developed may not be suitable for current backward countries like Bangladesh or Vietnam. It is quite a debate among the researchers, policy makers as to whether the East Asian model can be transferred to other region.

The track of industrialisation is now more complex, needs to be thought in the globalisation context. Since the last three of the ASEAN (Vietnam, Cambodia and Laos) are already caught in regionalism, they have a hurry mode to fly. This is important for us to observe how they could achieve take off in the context of globalisation and regionalism, and to take initiatives alike.

How the East has achieved take-off? East Asian flight was led by Japan, then newly industrialised countries - NIEs - (Korea, Taiwan, Hong Kong and Singapore) following the 'authoritarian government' that creates a mixed-bag

regionalism. It is important to note that the EA countries' development was not a poverty reduction strategy; rather it is a social process of catching up with the forerunners. Their growth was realised by staggered participation in the regional production network through trade and investment. The supply linkage was established by Japan and other groups, and Japanese firms are the main sources of technology supply too.

What are the main determinants of late industrialisation of EA? EA countries are late comer in the process compared to the West. If they were late, Vietnam, Laos and Cambodia will be so late because of the globalisation factors. To understand it, some points need to be pondered over. The institutions in late industrialisation that underscore its success are: an interven-

key to success. Moreover, they successfully imposed discipline on subsidies and incentives, made 'rent-seeking' into 'productive investment'. States in modern history have always intervened to spur economic growth. Even the first industrial revolution, whose guiding principle was laissez-faire, is now being reassessed by historians. The British government intervened to maintain law and order and to minimise the transfer of technology capability to foreign lands. In the second industrial revolution in Germany and the U.S., infant industry protection was the primary characteristics of that era. The question is: is it possible now to make such interventions with the strong role of WTO, IMF, or World Bank? Perhaps it is not possible. Therefore, latecomers of this age will be so late in industrial

fied and optimised to enhance the price and quality competitiveness. Nonetheless, at recent time technology and capital transfer can only be done by accumulation of foreign direct investment (FDI). Therefore for this we might have to follow their suggestion about our development plan. Along with, we have to maintain good relations with the EA countries unless or until we have succeeded to join the ASEAN.

Joining the ASEAN would be a breakthrough for our development from many respects including increasing FDI flow, manpower supply as the wage level in these countries is becoming higher, as well as we could find market for some of our products.

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TO THE EDITOR TO THE EDITOR TO THE



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Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

What more can he do?

As a nation we are quite difficult to understand. Gordon Greenidge who built the foundation of Bangladesh Cricket and helped us to get a landmark achievement had to leave in disgrace, thanks to some veneful journalists and BCB officials.

The role of media in making him a national villain was regrettable. He spoke some thing about entering the Test arena which is proving truly now.

Then came a talkative heart patient as the national coach and his competent companion, the physio who announced he would give the fitness of the Aussies to the Bengal Tigers in some three months and ended up making Mehrab Hossain Opi almost crippled. Our media just adored them.

Now there are some people who are after Whatmore. His credential as a coach is beyond doubt. People can't expect him to play in the field for our incompetent players. What can he do if the players take playing in straight bat as a forbidding thing, go

for fishing the ball way outside the off stamp. It is our so called professional cricketers who need to be sincere.

Joy

Dhaka

This is not cricket!

I am (have been, more preciously) an ardent follower of cricket. How happy I was, along with my friends the day we got the passport to play in the international level. A new era dawned or so we thought. For me it was a welcome end to the insincere clapping and cheering for other nations and a fresh start with all enthusiasm for OUR nation. Our team started, stumbled and did well and stumbled and stumbled.....We knew it was a 'test-babe', it needs time to grow the fans. Today I want to scream, for God's sake, enough is enough.

Today I feel shy of TV to avoid any Bangladesh cricket match just to avoid to see the near sinful acts - how easily and shamelessly they are throwing their wickets, how

insincerely they are bowling to get thrashed. I have grown up an aversion towards cricket in general.

This is the cricket for which the bottomless basket spends crores of taka every year. A cricketer gets some 60,000 taka per month, while a graduate or a masters will be over the moon if he gets a job with a salary of Tk 5,000 per month.

Saif

Dhaka

Weird ads

I can't help but comment on the recent TVC of 'Double Cola' that starts with a jingle which is closer to quite an unpleasant shrill (no offence meant to the famous singer) and then all the excessive bright colours and funnily dressed Ferdous who fails to portray any real life character that may exist. I wonder which person dresses up so much in yellow and orange (not even HIMU), has a weird hair dye (or is it a vain attempt to copy Shahrukh Khan in Kal Ho Na Ho) and goes around with a cola can that looks

more like a beer can. And I was more shocked to read a write-up in the Prothom Alo actually praising the commercial.

Creative advertising has always been a challenge in Bangladesh, and now a lot of jumping around (in the name of dancing), bright colours, high-pitched jingles have become a common theme; and not to forget the flashily dressed attractive female models. Some may argue saying that the mentality of the consumers is kept in mind and advertising agencies put the 'blame' on the client saying 'the client is unwilling to change his views on presenting the product as we suggest otherwise'. But my question as a commoner is: Is the client so stubborn that he wants to portray his product with an awful presentation and ridiculous themes? Who do they have in mind when they launch the product?

Arani Siddiqi

IBA, DU

Bangladesh, a springboard?

I was flabbergasted by Shejuti Khan's diabolical assertion (Letter, DS, September 15), in response to Dr Fakhrudin Ahmed's article, 'For friendship Bangladesh should look East' (DS, September 12), that 'ASEAN countries encourage treaties with Bangladesh to actually use Bangladesh as a springboard to enter the vast and booming Indian market.' So Bangladesh is merely a 'springboard,' or a stepping stone for ASEAN countries to trade with India, according to Shejuti Khan!

This is a very serious accusation, and very humiliating to Bangladesh. Will Shejuti Khan please name the ASEAN countries which told her so? Let me remind Shejuti Khan that with a population upwards of 143 million, Bangladesh is a huge market -- one seventh of India as a matter of fact. Goods produced in Bangladesh immediately have an internal market size of 143 million people. This is the market India is trying to monopolise. By flooding Bangladesh with Indian goods and not allowing Bangladeshi goods into India, India is trying to suppress the growth of indigenous industries in Bangladesh.

Bashir Siddiq

New York

Dispelling misconceptions about Australia