

Civil surgeon office graft

Time for strong stand against corruption

THE rampant corruption in nine civil surgeon's offices unearthed by a parliamentary probe committee demands stern punitive measures on the part of the administration. The fact that the embezzlement was apparently accomplished by the purchase of medical equipment and medicine at higher than market prices that resulted in low quality health service at public hospitals and clinics makes the official misconduct even more egregious.

Let us begin by praising the work of the probe body that has investigated the corruption so assiduously. We have long urged parliamentary committees and sub-committees to do a better job in performing their oversight role over the ministries and departments, and it is indeed heartening to see one such parliamentary body take its responsibilities seriously and investigate official misconduct in such a thorough manner. The actions of the probe body should serve as a template for other bodies' investigations.

Now the onus is on the administration to take cognisance of the report and to follow up with exemplary punishment for those who would be found guilty of the allegations. No time should be wasted in bringing charges against those who have been implicated and determining their guilt or innocence. Too often in the past, similar reports have been submitted but have not been followed up by the prosecuting authority, and those culpable have remained uncharged and unpunished. If the administration truly wishes to stem the corruption that is bleeding the public coffers dry, then it must begin to take action against the corrupt officials.

The probe committee has reportedly uncovered a large network of senior officials who have colluded for years to siphon off crores of taka from the public exchequer. There can be no greater betrayal of the public trust than for public servants to pocket the money that they are entrusted to spend on behalf of the people. It is tantamount to the officials taking money from the hands of the public. The fact that the corruption was uncovered in the health service and that it was thus the sick and infirm who have been victimised only further underlines the perpetrators' lack of conscience. They must be brought to book.

Bring the vandals to book

Let's ensure tension-free Puja festival

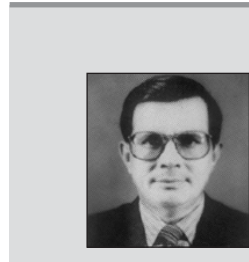
THE five-day Durga Puja celebrations get underway tonight with characteristic enthusiasm and fervour amongst the Hindu community which is duly reflected on the very high number of puja mandaps (stages to place idols on) set up this year. But there has been some dampening news with hoodlums in some places having vandalised platforms and idols hurting sentiments of devotees.

Damages were caused to idols of goddess Durga at a temple and a house in Kamargaon union of Tanore upazila in Rajshahi on Friday night. Earlier, the Chittagong Metropolitan Puja Observance Committee had registered protests with the local authorities over acts of profanity perpetrated by vicious trouble-mongers at different places. Some occurrences of similar nature were reported from Bagerhat. These incidents, even though stray, have been extremely disparaging and outrageous, especially given the fact that it's their greatest annual festival the Hindu community are in the midst of celebrating with traditional solemnity. It seems there was some hole in the security cover extended to the puja venues.

We know that in light of last few days' untoward occurrences that spawned panic, the government has beefed up the existing precautionary deployment of law and order personnel around the temples and puja mandaps. The district authorities must redouble their efforts to ensure that the isolated incidents do not develop into a pattern. The whole community should also be on guard to see that the traditional harmony in our society is not held hostage to the diabolical design of a minuscule minority.

Those who are out to disrupt social equilibrium by creating tension and panic are the enemies of the society and must be dealt with accordingly. The authorities must get a move on to catch the culprits and strengthen the security arrangements thereby signaling a completely congenial atmosphere for the fellow citizens to observe the festivities smoothly.

Of rural land and labour



ABDUL BAYES

THE present land tenure system in Bangladesh was the creation of the State Acquisition and Tenancy Act of 1950 which abolished the zamindari system. Under the provision of the said Act, the state acquired all intermediary rent-seeking interests and provided ownership rights to actual cultivators of land. The Act prohibited subletting of land, but the sharecropping system continued to prevail as it was not treated as subletting. Thus, it resulted in a large number of tiny land holders operating uneconomic holdings just for the sake of a subsistence survival.

Land is the leading input and a precious asset in rural Bangladesh. Hence hardly any land transactions tend to take place through purchases and sales, unless driven by distresses. In a recent research article on agrarian changes in Bangladesh, Dr Mahabub Hossain and co-authors note that land transfers now-a-days account for barely 1.3 per cent of owned land compared to 1.7 per

cent even a decade ago. That is, land sales has decreased over the period under review. Interestingly, as the same authors observed, the incidence of land purchase was higher than sales indicating that rural-urban migration emerged as the contributing factor in land transactions. Any way, the percentage of land accumulated through purchases and sales was negative 5.5 per cent for the marginal landowners, nil for the small land owners and 1.7 per cent for the

parties. Gradually, the system moved to a kind of quasi-share cropping arrangements with owners willing to share a part of the input costs. But with the advent of the Modern Varieties of paddy, the system swung heavily towards a fixed-rent system, both in cash and in kind. Land is also being transacted under a credit arrangement where the borrower mortgages land to the lender as collateral for the loan. The lender cultivates the land in lieu of the inter-

33 per cent during the period 1987/88 to 2000. Most of the tenants, needless to mention, come from economically crippled households to eke out a living by renting in lands. There is another consideration. Even the poor in our society carry some prestige image. In a regime where one could rent in land and thus manage the farm oneself, working in other's land as day labourer emerges as the last best solution to the uplift. Thus we find nearly half of the ten-

pursuits and put them in the pinnacles of prizeworthy economic pockets where, possibly, they can utilise their money and merits better. So, with productive employment opportunities lying outside farms, growth of urbanisation and infrastructural developments, we observe that the rural land supply has increased but demand has not risen pari passu. The demand-supply imbalance apparently also went to the terms of the tenants.

tenant has developed a capacity to bargain with the owners over the terms and conditions. Now, say in 2000, only 60-65 per cent of the lands were transacted under that "inefficient" and "exploitative" methods of operation of holdings. But the development has taken place only for the modern varieties that involves high input costs and hence requires some options for the tenants. For the rainfed conditions, the prevalence of a 50:50 arrangement still persists where both owners and tenants are sharing the outputs as well as the risks associated with agricultural operations.

Another important input in production is labour. The rural labour market has also shown some changes over the years. The proportion of attached workers called 'bandha majur' is gradually declining. The proportion of daily wage workers is also declining against contract labour. In some parts of rural Bangladesh, agricultural operations have moved to contractual arrangements where the labor benefits more than before. Again, the reason is also being that labour market has become tight with the growth of non-farm activities and development of infrastructure.

Both changes in land and labour contracts seemingly support the contention that growth in agricultural sector is likely to inject changes in the rural markets and thus turn the table in favour of the poor.

Abdul Bayes is a Professor of Economics at Jahangirnagar University.

BENEATH THE SURFACE

With the introduction of modern technology the tenancy system seems to have come to a market friendly phenomenon where the tenant has developed a capacity to bargain with the owners over the terms and conditions. The rural labour market has also shown some changes over the years. Both changes in land and labour contracts seemingly support the contention that growth in agricultural sector is likely to inject changes in the rural markets and thus turn the table in

medium and large land owning groups.

But, beneath the surface, land transactions tend to take place under a different veil. This is through the operation of the tenancy market. The most predominant system of share cropping is the share of outputs and certain inputs between two parties, i.e. the land owner and the tenant. For ages, farmers surrendered half of the produce to owners -- a system called share cropping -- dubbed as inefficient arrangements deterring incentives to raise productivity for both the

est charges till the loan is repaid. If the borrower fails to repay the loan during a specified period of time, he or she preserves the right to buy the land often at a lower price than the market. This transaction, notes Mahabub and others, known as *Dai-shudi* is sometimes the first step in the process of land transfer through purchase and sale.

It could be observed that the proportion of tenant-farmers has increased from 42 per cent to 57 per cent, and the land under tenancy cultivation has increased from 22 to

anry land was operated by households having land less than 0.2 hectares and another 40 per cent by households owning 0.2 to 1 hectare.

Why such a surge in tenancy? There are possibly many factors, but let us cite two of them. First, the rapid rural-urban migration is turning migrant households as absentee land owners who let the land cultivated by their fellow residents or kith and kin. Second, the growth of rural non-farm sector continued to pull the educated and wealthy ones away from low productive agricultural

The importance of different tenancy arrangements also underwent changes. For example, during the 1960s, more than 90 per cent of rented land was transacted under pure share cropping arrangements -- an arrangement called inefficient by economists. Again, 'exploitative' as it is, the system also works as a disincentive to agricultural investments and adoption of new technology. With the introduction of modern technology, as noted before, the system seems to have come to a market friendly phenomenon where the

Indo-US ties stuck in a groove

'Partnership' as illusion



PRAFUL BIDWAI

writes from New Delhi

CLEVER technocrats have ingenious ways of dressing up bad projects. They declare they're only "pilots," or the "first phase" of a larger scheme; the "second phase" would follow.

India and the United States have played that very trick by announcing the end of the "first phase" of the grandiosely termed "Next Steps in Strategic Partnership" (NSSP), launched less than a year ago. Last week, under-secretary of commerce Kenneth Juster visited India to discuss the "second phase."

The "first phase" was to open up India's access to US nuclear and space exports, and to "dual-use" goods (with military and civilian applications). But what did NSSP actually achieve?

Washington lifted post-Pokharan-II sanctions upon Indian Space Research Organisation (ISRO) headquarters, relaxed licensing requirements for low-technology dual-use items for its subsidiaries,

and liberalised exports of some non-nuclear equipment intended for Indian nuclear power stations under International Atomic Energy Agency (IAEA) safeguards. (This includes, turbines, generators, etc.)

This amounts to very little. ISRO headquarters performs an administrative role. Its seven subsidiaries, which manufacture propulsion systems, rockets, satellites, etc. are far more important. They remain sanctioned.

The low-end items liberalised for

But several Indian companies make these!

The new licensing regime is hardly more "liberal." Besides, Washington has imposed fresh sanctions on 14 "entities" on suspicion that these might have helped Iran develop mass-destruction weapons. They include two former chairmen of Nuclear Power Corporation, one of whom visited Iran on IAEA work!

NSSP's "second phase" might at best see some loosening of export controls on space satellites and

This carries four lessons. First, the current NSSP discussion is a hangover from the Vajpayee government. That government showed irrational exuberance about "strategic partnership" and minimised the asymmetrical, skewed nature of India-US relations.

Talbot in his *Engaging India* reveals that Vajpayee assigned a special role to Jaswant Singh just before the 1998 nuclear tests. Mr Singh called on Clinton's special envoy Bill Richardson at the US

programme, aimed detect distant missile launches with satellites and intercept them. BMD will dangerously change the rules of the global nuclear-deterrence game.

Singh made a morally and militarily untenable departure from India's established opposition to BMD. His calculation was that the US would share this advanced, cutting-edge technology with India.

Washington is most unlikely to share with India -- and even with its

India must pause and think about what high-technology or dual-use goods it really needs. We have long attached iconic, totem-like value to technology. For years, India begged the US to sell it a Cray supercomputer. But once it was procured, it sat for years in the Meteorological Department, and has added nothing to our monsoon forecasts! Meanwhile, India itself produced the even faster PARAM!

Do we really want America's nuclear power technology, which has proved a market failure? In the US, no new reactor has been ordered for 26 years. Is nuclear the path to energy security, rather than renewable sources?

Finally, there are fundamental differences between Indian and US world-views. The US aspires to Empire and domination. India's interest lies in a multi-polar world where might is not right.

For the US, nuclear disarmament isn't a long-term goal; it's a legal obligation to be ducked. For India, disarmament was an ideal for 50 years -- until the NDA violated it. It still remains a long-term objective. The US imposes unequal trade policies on the world through the WTO. India declares victory when it can resist these, as at Cancun!

There's a limit beyond which India and the US cannot be partners. They can reduce mutual friction and improve political relations. But "strategic partnership" remains an illusion.

Praful Bidwai is an eminent Indian columnist.

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Overview of Tata investment proposal

S. A. MANSOOR

TATA'S investment proposal is the talk of the town. Till date this is the largest foreign investment proposal that has come to Bangladesh. We should look at it considering the positive impact it will create in the north west zone of Bangladesh, which is not so developed when compared with other parts of Bangladesh. The development prospect of this somewhat neglected region should be a big positive issue for us. The only sticking point appears to be gas supply and pricing, but from reports published and heard we trust we will not repeat the KAFCO folly; a milestone round our neck. Hopefully the gas sector will wake up and arrange the gas supply timely once the MOU and time frames are finalised. Till date our gas sector performance is

unfortunately not up to the mark, as we have failed to meet the present local demand.

Looking broadly and based on whatever information is publicly available, the proposal is divided into three groups of investment: power, steel, and fertiliser. The power and steel investments appear to be complementary, and if coal from North Bengal is selected as the energy source, there should not be any gas requirement for these two sectors. Gas will only be needed as a raw material for fertiliser production.

Logically, with the high grade coal source now under development (not the Chinese one), the possibility of coal based sponge iron production using Indian iron ore may be quite feasible. Tata's and other facilities exist in India producing sponge iron using coal of lesser quality. The

sponge iron can then be converted to liquid steel in electric arc furnace. Power for the arc furnace can come from coal fired power plants, possibly envisaged in Tata's technical ideas. Downstream steel products could be billets, HR coils, and structural sections, both for local market as well as surplus export to India or nearby countries. The coal-based power plants could be set up to provide all the power for the proposed steel industry, as well as surplus to meet the ever-expanding and unfulfilled power demand of Bangladesh, and maybe possible export to India after meeting local needs.

It is the fertiliser plant with its location somewhere in Chittagong that will need both power and gas supplies. For this possibly Tata envisages requirement of gas not only as a raw material but also as

fuel for the power plant dedicated to fertiliser production. Possibly this facility will be the one consuming most of the gas.

Location wise, selecting a river frontage around Ishurdi for the steel plant seems logical. Broad gauge railway transport with interchange with India railways across Darsana will be the route for around 3 million plus tons of iron ore per annum. This will definitely need track upgrade and expansion of rolling stock and traction power requirement to cater for this volume of traffic. The board gauge railway in Bangladesh, so long ignored compared to the meter gauge will need revival and upgrading. However the issue of locating the steel plant should consider the Harding Bridge bottleneck, with a single track. Possibly this bottleneck could be minimised by locating the steel complex on the south bank of

Padma river only where suitable round the year draft for barge sailing is possible. With such a location none of the ore needs to cross the Harding Bridge. Only coal for the DR plant and finished steel required for the north will need to cross the Harding Bridge. Power can be generated close to the coal mine, and the power can be transmitted across the Padma river for use in the south west as well as the steel plant.

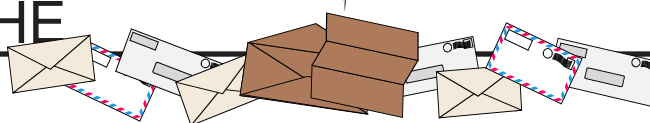
Finally to protect our interest and at the same time not to be negative about Tata's investment proposal, we should opt for the coal route both for power generation and direct reduction route to steel making, as this does not need natural gas as an input. The issue of gas for the process and power requirement for fertiliser production can be looked in its own merit, basing the gas price in line with international tariff and

possibly considering the Indian cost of effective heat equivalent of their source of energy in the power, steel, and fertiliser sector as a guideline. However, continuity of gas supply is a fact of life, and no investor can risk his capital against an uncertain source of this basic input.

I hope we scan the proposal with a positive attitude, and negotiate the deal on a win-win basis. This investment will have a positive spin-off to various other local subsidiary activities in production and services, and may well change the face of north west Bangladesh, which lacks development. Furthermore, it can act as a catalyst for further investment in other sectors both from Tata and other multinational conglomerates.

The author is Engineering Director of the Partex Group and was head of Chittagong Steel Mill from 1972 to 1978.

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



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.

Tourism development

The state minister for tourism himself blasted the tourism industry (DS Sept 22) in no uncertain terms. That means he is aware of the problems within the sector. The ball is in his court, and the nation would watch how he brings about a change in the environment. The people must be mentally prepared for welcoming tourists. The Awareness Campaign has not even started (officially)!

Those familiar with the bureaucratic culture prevailing in Dhaka might re-assert that the public

sector cannot handle the tourism industry, without heavy support from the private sector (the tourism department is a dumping ground for unwanted officials, as mentioned in the press report).

But the private sector needs heavy monitoring for laying the foundation of the regulatory role, which has not yet matured even after five decades. The present infrastructure is ripe for development projects to attract the tourists on a long-term basis. That is the technical and professional side. The cultural and social conditions

are none too bright at the moment, with corruption, lawlessness, indiscipline, cheating, and terrorism holding sway thanks to the negative political culture. The politicians have to be deeply interested in tourism, as they govern the country. The hidden godfathers have to be controlled and weakened. It is not a hard task if there is political consensus at the national level. There is no continuity in the long-term projects with change of regime.

Security arrangements for tourists in lonely and isolated areas is not enough to instil confidence even

in the local tourists. The mind must be free to enjoy holidays, at home or abroad. The social conditions for travelling foreigners must be improved. It will take time, as it is a very broad spectrum for completion of the various projects dealing with human interaction.

Meanwhile, this time interval (a couple of years) may be utilised for laying fast the basic foundation for the erection of an integrated tourism infrastructure, of facilities and trained human resources. It is not a new industry, hence prototypes would be available easily, to tailor to

local conditions. Building up the service sector would not be a problem, considering the density of our population. One small snag: our politics is not stable!

AHUSNAIN, Dhaka

Point to ponder

Our sense of achievement indeed is elated by the fact that we have successfully lured an investor to come to our country with \$2 billion worth of investment plan. The signed EOJ certainly proves our

aptness in pre-project management. Hats off to all those involved and responsible for this long awaited FDI success.

Before we set-off for a decades long celebration trip, I have a very simple question to the wise men and women at the helm of affairs. If steel has such great prospect as to have convinced Tata to come to Bangladesh, why were our own steel mills allowed to decompose and die a painful death? Is there anyone to question the responsible? And, is there anyone to guarantee that there will be no national losses like

this in the future? I am sure the answer would be -- think about the gain!

What's the point people are trying to prove? Is it that we are not capable of managing and running large scale enterprises or that we are fully capable of bleeding the lifeline of a nation's backbone (industries) to death. Besides steel, think about jute, our sonalish, the fibre that used to bring us gold. All is changed now (refer to Adamjee and many other jute mill closures). And the story goes on. The solace is, we have learned

from the politicians to be prepared to face any disaster and that the nation is marching towards a great future with growth in every sector (I dare not elaborate the sectors). I guess we all have to wait and see where the wise men and women take us to. After all, there is no harm in looking forward.

Shah

One-mail