

## Sharing of common river waters

### Cooperation among the countries is the only solution

THE three-day international conference on transboundary rivers ended in Dhaka on Saturday marked by a significant identity of views on issues at hand. An overwhelming majority of participants recommended scrapping of Indian River Linking Project (IRLP) in order to avert an environmental catastrophe in the region.

The conference essentially laid emphasis on the pressing need for regional cooperation in managing the major river systems, which are shared by neighbouring countries. The experts were unanimous in their opinion that the impact of the IRLP if implemented will be patently negative as it seeks to divert the natural flows of some major transboundary rivers. It is obviously not a question of one country or area being affected by it. The environmentalists even from India, including the well-respected Medha Patkar, opposed the IRLP in very clear terms. The conference actually created an opportunity for the environmentalists to dwell at length on different aspects of the proposed project. Ms Patkar went to the extent of saying "people should resist implementation of the project". She also put it down to India's internal politics.

The Indian High Commissioner to Dhaka, Veena Sikri, who also spoke at the conference, said that the IRLP was still at a 'conceptual stage' and that 'consultation' would be held between co-riparian states subsequently. When the Congress government came to power following the last general elections in India something to the same effect had been stated. What the countries in the region expect from the Indian government is assurance, not mere allaying of fears, that no project that can have disastrous environmental consequences will ever be implemented. In fact, the provision for mutual cooperation and negotiations was incorporated in the Ganges Water Treaty which the High Commissioner referred to as an example of mutually beneficial agreement.

The bottom-line is that there is no substitute for cooperation and information sharing insofar as harnessing common river water resources is concerned. The rights of the co-riparians have to be recognised in both theory and practice. Equally important is the fact that there is no limit to the benefits that can accrue from a cooperative approach. The recommendations made at the conference should help the countries reach an understanding on how to share waters of common rivers to the maximum advantage of all co-riparian states.

## Bangladesh-Malaysia Business Forum

### Concrete suggestions for the way forward

BANGLADESH has been graced with the visit of the respected ex-Malaysian Prime Minister Mahathir Mohamad. Equally important, however, was the presence of the high-powered team of Malaysian businessmen who accompanied Mahathir to Dhaka, and the first Bangladesh-Malaysia Business Forum that was held in the capital to discuss ways in which the two economies can work together to complement one another.

The spirit of mutual cooperation and opportunity that animated the two-day forum was exactly the kind of forward-thinking approach that Bangladesh needs to advance the pace of economic development. The suggestions put forth in the joint declaration with which the forum ended were concrete, thoughtful, and above all, practical. The forum provided a realistic blue-print for economic cooperation which would be of benefit to both countries.

Specifically, the understanding that both direct and indirect Malaysian investment in the Bangladeshi economy would be of great mutual benefit, and that facilitating the flow of capital, labour-intensive industries, and technological expertise from Malaysia to Bangladesh should be a priority for the government, were welcome pronouncements. Bangladesh stands to gain greatly from opening the economy up to the Malaysian private sector.

Even more interesting and ambitious were the ideas for twinning the port cities of Chittagong and Penang and the idea that the Malaysian government could be of assistance in capacity building in Bangladesh at various levels. Finally, the call to form a task force to look into a possible FTA between the two countries is one that should be heeded by both governments.

The ideas that came out of the forum were bold and innovative and demonstrated clearly that the private sectors in both countries are keen to embark on a path that would lead to mutual enrichment, and more importantly, that they are capable of doing so if supported by their respective governments. The nation as a whole would stand to gain from the advances and development thus engendered.

The government should make sure that the energy and imagination that were on display at the forum are given the support these need to flourish. The path has been marked out. It only needs the government to get behind the initiative.

## Growth is the gateway



ABDUL BAYES

THAT economic growth per se does very little to poverty reduction and overall economic welfare is well documented. Even proponents of growth tend to admit it. But while slashing at the proponents of growth the critics, more often than not, seemingly subdue the importance of growth in the discourse on growth-welfare nexus. Per capita income rise may not tell the whole story, it is true. Brazil and Sri Lanka could be the cases in point. With a per capita income few times more than Sri Lanka, Brazil sits at the back seat in terms of life expectancy, literacy and infant mortality. But true is also the fact that without a rise in per capita income, we cannot take care of other indicators.

### Empirical evidences

Empirical evidences are now in avalanche to show that around the globe, countries that attained sustained rise in GDP are also the countries that experienced a dent in poverty reduction; conversely, countries with a fall in per capita GDP are also countries with high poverty. China appears as a glaring example. During 1985-98, the country witnessed an enviable average annual per capita growth

of 8.5 per cent while, paripassu, it observed a decline in poverty level (per cent of population living under \$/day) from 45 per cent to 24 per cent. The experiences of Thailand and Indonesia seem to be no different than China. Even Bangladesh experienced a negative correlation between these two variables over a period of time. Thus, growth matters to the poor.

average person in the bottom quintile in China increased by about 170 per cent between 1971-2000 almost double the gains seen in Bangladesh!

### Back to Bangladesh

According to the authors I mentioned above, the growth process in Bangladesh shows a structural break. During 1971-89 period, the

early 1990s. Remarkable feat for an economy that is persistently hit hard by weather related adverse shocks". On a comparative scale, Bangladesh has consistently improved its growth performance since independence. Annual per capita growth averaged 1.4 per cent between 1972-2000, which is short of the performance of the median country in

### Beware of crash!

Apparently appeasing though, the growth process that Bangladesh is reported to have witnessed could any time steal the celebration. Bangladesh needs to be on guard against future growth crashes. International growth experiences tend to reveal that very few countries have displayed sustained growth over a long period of time.

poverty in the long run. If growth has a say in poverty reduction, we need to gear up growth and reach a level of no less than 7 per cent per annum with a view to making a dent to poverty.

The authors are of the view that one of the growth-oriented policy and institutions that would warrant urgent attention for improvement is Foreign Direct Investment (FDI). "The highest pay-off areas in terms of improving growth appears to be attracting more FDI, increasing the country's capacity to benefit from its spill-over by expanding the human capital base and quality of physical infrastructure; financial sector reforms that would allow the sector to be shaped by dynamics of private competition; improvements in economic governance -- especially rule of law; and streamlining of the regulatory and administrative environment faced by business in order to reduce the cost of starting (and doing) business in Bangladesh."

### Concluding observations

It follows that Bangladesh has performed well in terms of per capita GDP growth and that the rise in GDP growth helped reduce poverty. At the current institutional scenario, the maximum growth rate that can be expected is 5-5.5 per cent per annum. But that is not what it actually should have performed. Unless the current state of governance is drastically improved, especially the law and order, the level of corruption reduced and attitude of politicising shunned, the millennium development goal of poverty reduction has to wait on the wings for a long time.

Abdul Bayes is a Professor of Economics at Jahangirnagar University.

## BENEATH THE SURFACE

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Economists D. Dollar and A.Kraay (2001) have empirically established that high overall income growth, on average, is equally shared by all. It is being hypothesised that a one percentage point increase in per capita GDP results in a one per cent increase in the income of the bottom quintile.

Dollar and Kaary also argued that during 1972-2000 period, over 90 per cent of the increase in income of the poor in Bangladesh, India, Thailand and 82 per cent of the increase in income in Indonesia was a result of income growth with the rest being accounted for by changes in the share of the bottom quintile in national income. Surprisingly, the authors noted, in the case of China, the share of the bottom quintile fell significantly as half over half of the gains due to income growth reversal. Even then, the income of the

annual per capita growth averaged 1.5 per cent but jumped to 3 per cent during 1990-2001. This is, perhaps, no mean achievement given the fact that the country was born out of a bloody war, ravaged by the war woes, frequently faced with calamities of nature, man-made and mismanagement driven.

Another comforting aspect of the growth scenario is that the growth process itself has become increasingly stable. The standard deviation of per capita growth fell from 7.9 during the 1970s to 1.1 during the 1980s to 0.6 during the 1990s. Dollar and Kaary are of the view that the volatility of growth during the decades of 1980s and 1990s was among the lowest in the world. "Bangladesh is among a handful of countries that managed to avoid even a single year of negative per capita growth since

the world but much higher than the median low-income countries.

### Could bypass

If Bangladesh had grown at the same rate as Niger between 1972-2000, income per capita in Bangladesh would have risen by 30 per cent more than the actual in 2000. Conversely, if Bangladesh had grown as China did, the average Bangladesh could become four times richer than at the moment. That means, poverty would have come down drastically. Rise in per capita income could take care of the other indicators. While Bangladesh has gained in terms of actual growth, it has also lost in terms of the potential gains that was missed in the ocean of mismanagement. The lesson is that growth matters and mattered for Bangladesh.

Algeria, Cameroon, Argentina -- all have experienced a crash after a brief spell of good growth. The greasing growth at times could turn out to be gruesome in the face of poor forecasts.

### Still a long way to walk!

The two economists who researched on Bangladesh economy argue that current policy and institutional arrangements appear to be consistent with an annual per capita growth of 3.7 per cent. In fact that is what Bangladesh achieved over the last decade or so.

Therefore the current policy environment should result in an economic growth rate of 5.0-5.5 per cent range. The situation would tend to keep half of the population below the poverty line. But our perennial objective is to reduce the extent of poverty and reach a level of 10-15 per cent in the medium term and eliminate

## Sri Lankan peace process on the brink of collapse?



ZAGLUL AHMED CHOWDHURY

following exit from power of former prime minister Ranil Wickramasinghe, whose government had initiated the dialogue with the rebels but was dismissed by the president evidently for being "soft" to the Tamil militants. The elections that followed brought Chandrika's supporters in power under a new prime minister and chances of a settlement of two-decade old civil war through

qualitative change when the government of prime minister Ranil Wickramasinghe took an active pro-peace policy with the rebels more than three years ago, which facilitated a dialogue that went for several rounds at different venues abroad making some progress in the vexed problem. While it will be height of folly to expect easy resolution of the Sri Lankan civil war given the complexities involved in

carrying forward the parleys. Admittedly, talks occasionally went into rough weather and even at one stage had been suspended indefinitely but both side never spoke of chances of resuming hostilities. They overcame the bottlenecks and agreed for next round of discussions.

Unfortunately, things turned bad when president Chandrika Kumaratunga acted in a haste to

near-suicidal when two top persons not only came from rival political platforms but are also chief political opponents. Ranil lost the presidential election to Chandrika but the former later won the parliamentary polls and thereby formed the new government which pursued the peace process. But again, in the elections that followed sacking of Ranil's government, Chandrika's political

has also indicated that the rebels are bracing with the possibilities of resumption of the hostilities. The president is facing resistance from within the coalition government, particularly the Marxist JVP which is opposing any settlement with the Tamils tooth and nail. Chandrika possibly cannot afford to annoy the JVP, whose support is crucially important for the survival of government that the president supports.

But Chandrika also feels that she will have to shoulder the blame should the cease fire finally collapses and hostilities resumes much to the dismay of most people. The envoys of powerful Western nations like the United States, Japan and the European Union have met recently the president and urged her to take steps for resumption of talks with the rebels. For, they argued, the hard earned progress made in the dialogue before must not be allowed to go in vain. They also implored on her for initiatives on giving new life to the peace talks. Norwegian mediator Eric Solheim after meeting the government and rebels has expressed disappointment over the situation. This causes anxiety about the shape of things to come in the future. Prudence and statesmanship on the part of the president can probably save the situation since the ball is in her court. She needs to play it without party or political bias but for the sake of much larger interest of the country and the people.

Zaglul Ahmed Chowdhury is a senior journalist.

## MATTERS AROUND US

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discussions have since been hanging in the balance.

Six rounds of talks between the Colombo government and the Tamil Tigers during Ranil's time raised hopes for a negotiated settlement of the contentious civil war in the country, which was virtually bleeding to white because of the long drawn conflict centering minority Tamil's armed struggle for a separate homeland in the north of the country. There was no decisive outcome of the civil war as the success in the battlefield swung from one side to the other and occasional cease fire produced no tangible results and hostilities resumed in quick time. However, situation marked a

dismiss three key ministers of Wickramasinghe's government and herself took over the army and police, widening her rift with the prime minister.

Sri Lanka has a strange democracy which is seen as neither presidential nor parliamentary. The president has wide powers including sacking the elected government of the prime minister even if he enjoys majority in the parliament. But, rather paradoxically, it is the prime minister and the cabinet that effectively runs the nation. This situation which is potentially dangerous to spawn conflicts between the President and Prime minister did not affect the government before but proved

alliance managed to win narrowly and form the government, thus dealing a blow to the peace efforts.

However, President Chandrika says that she favours the peace process with the militants even though there has been no effective steps from the government to resume the dialogue. She is under pressure from international community and the opposition, now headed by Ranil Wickramasinghe, for taking fresh initiative to break the impasse. On the other hand, Villupai Prabhakaran, the Tamil militants supreme, has warned that Sri Lanka situation may revert to "square one" unless the government comes out with open mind on their demand of self-rule. He

## TO THE EDITOR TO THE EDITOR TO THE EDITOR

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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.

### A different story

Rab is a familiar name these days. We gained independence in 1971 with supreme sacrifices. We gave our blood to lead a happy and peaceful life. But we have seen unprecedented crime, corruption and violence in the country. Our lives have no security. The police cannot control the crime situation. So the government has finally commissioned the Rapid Action Battalion (Rab) to contain the crime wave. In a short time, Rab has succeeded in bringing about some changes for the better.

They have been able to catch some top criminals of the country. The countrymen are pleased with their activities. A criminal has no right to live in this world. Our police force does not try to capture even the known criminals. But Rab's is a different story. Ashrafunnessa Kawsar IJUC

### Cricket in Bangladesh

Cricket is a popular game in Bangladesh. But now-a-days our cricket team is performing so badly that the fans do not see any light at the end of the tunnel. A series of debacles has destroyed everyone's hope. Bangladesh have been playing Test matches for four years, but have failed to win a single match. How long shall we have to wait for our first Test match win?

The cricket organisers should look into the matter. There is no point in playing the game if we are trounced in every match. In some cases failure is not the pillar of success, rather it is the pillar of further failures. Our cricketers have to do better to keep our hopes alive. Md. Salim IJUC

### A real danger

The danger of HIV virus infection is increasing day by day through

out the world. In Africa it is spreading in an epidemic form. The situation is not much better in Asia. India is badly affected by it. As the nearest neighbour of India, Bangladesh is also in great danger. In our country, there are about twenty thousand people carrying the HIV virus.

Bangladesh is a predominantly Muslim country. The social conditions are such that people try to live in isolation when they contract the disease. They do not want to be exposed to the ruthless social sanctions. But the disease is not transmitted through sex only. There are many other reasons that can lead to HIV infection.

The situation has already become alarming. The government and non-government organisations working in this field should intensify their efforts to prevent spread of Aids. A social movement must also be organised to deal with the men-

ace. Finally, it must be ensured that Aids patients get the sympathetic treatment that they deserve. We should declare war against the disease, not the patients. Sarwar Alam Dhaka

### Drug addicts

Some of our colleges and universities, both private and public, are infested with a large number drug addicts. So our highest educational institutions are producing professionals as well as drug addicts whose lives have been ruined. I think it is one of the by-products of our education system. Moral teaching is absent in our system of education. When a person loses his moral dignity he can do whatever he likes. We have to establish education with morality, otherwise we will not be able to build a nation worth the name. Secondly, our government should take necessary steps to clear the

### campuses of drug addicts.

The drug suppliers must be identified and punished. After all, the addicts cannot get the drugs unless the supply lines are open. H.K.M Ali Haider Dhaka

### We are happy

I am a student of International Islamic University, Chittagong (city campus). We the students of this university have suffered for a long time for the rugged (24, Parcival Hill) road. It also obstructs the progress of a private university. We are grateful to the authorities concerned that have constructed the road at long last. We will be even happier if the dustbin on the road is shifted to some other place. It pollutes the environment of our campus. Moreover, it looks very odd to have a dustbin in front of the campus. We hope that the authorities will respond to our

predicament with a sense of urgency. Fahmida Yasmin, IJUC

### Vulgar films

Now-a-days vulgarity is a common thing in our films. We come across many obscene scenes in almost all films. As cinema is a powerful media, it plays a vital role in our national life. People can get valuable information from it. But it is a matter of great regret that cinema does not serve its main purpose today. So, people should boycott the sleazy films. If it is done, then I do believe the situation will improve very soon. Rokon, Dhaka

### A social ill

Hijacking is one of the many crimes being committed these days. We face hijacking on a regular basis. This social ill has spread in our country at an

alarming rate. It's difficult to find any person who did not fall victim to hijacking at least once in his life. What is more alarming is that most of the hijackers are youths in the 15-20 age group.

They are not only snatching money and other valuables from innocent people, but at times they commit murder. The image of the country is also blurred by their activities. A few weeks ago a foreign ambassador was targeted by the hijackers. That shows that hijackers can victimise anybody in this country. The law enforcers should take note of the situation and make sincere efforts to stop hijacking. Hasan Mahmud Department of English IJUC

### A real disappointment

It is not hard to digest that our stadiums are fit for Test cricket

but not our cricketers? Players of other countries are making records, one after another, while our players are failing miserably. We are feeling so ashamed by their performance. I do not know why they are referred to as 'Tigers', I think if the real tigers had got the ability to know about it, they would have protested it for demeaning them. A few years back I wrote a letter under the heading "Do we have to play cricket?" A few letter writers protested it, but I hope now they will change their attitude and agree with me.

By the way, I don't want to undermine the brilliant performance of Mohammed Ashraf who scored a magnificent unbeaten 158 in the first innings of the Chittagong Test. We need more performers like him. Nur Jahan Chittagong