

Export buoyancy

Light at the end of tunnel

IT'S a hope-giving sign around an otherwise gloomy economic outlook. On the worrying side are uncertainties stalking the economy such as rising inflation, private sector credit squeeze, depreciation in Taka value, dollar crisis and the pressure building on balance of payments. But positive trends exceeding our expectations, and which basically paid put a couple of doomsday prophecies, have been observed in two areas: remittances from Bangladeshi wage-earners abroad and export earnings by the readymade garments sector. Although manpower export has declined in absolute numbers forex earning from remittances has increased in real terms. This is explained away by the fact that while ordinary labour export dropped, this has been more than offset by a sharp increase in the employment of high skilled Bangladeshi professionals abroad. The higher remittance has had to do, in part, with the value appreciation of dollar.

Evidently, the most hope-giving thing has happened in an unlikely area belying the post-MFA predictions: export earning rose to US\$8.58 billion in FY 05 as compared with US\$7.60 billion in the preceding fiscal year. Textiles and apparels are the sheet anchor of the country's export earning with a 78 percent contribution to it. Shaking off the initial shock of the quota phase-out when the earning from woven garments dropped by 21 percent export swung back to the original levels after January 2005, even bettered previous records, especially in knit-wear apparels.

Was it a miracle? Not really, because trade world does not admit of it. We have won it by competition coupled with good luck in terms of a fairer deal from the niche market, the US. The United States of America imposed its special safeguard clauses on certain Chinese RMG export items following a petition filed by the US textiles industry which predictably was backed by garments manufacturers from 51 developing countries. Bangladesh is one of the beneficiaries of the safeguard clause. One would have thought that the trend is set there. Our products will hopefully continue to receive a fair deal in the US market. The fact that Bangladesh apparels have a reputation and that our unit costs are cheap are advantages that are going to stay with us provided we don't rest on the oars of complacency over the first year's performance into the post-MFA phase-out.

Enhanced salary for high-ups

It can be justified only if governmental performance improves

THE people holding high public offices are going to get substantially enhanced pay packages. The salaries of the president, prime minister, and ministers of every denomination have been raised for the second time during the present government's tenure. Their salaries have been raised by 45 percent, while the lawmakers will enjoy a salary increase of 50 percent. Supreme Court judges will also get a pay package raise of 45 percent.

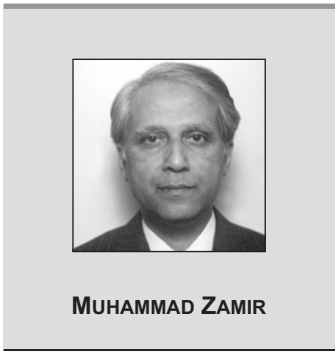
The decision follows the implementation of the new pay scale for the government servants which came after eight years and was the sixth increase of their salaries in 34 years.

Now such salary raise is naturally linked to efficiency, accountability and transparency of governance, as the money is coming from the taxpayers' pockets. The general expectation here is that the governmental performance will improve appreciably. There must be a guarantee of better governance, because a poor country like Bangladesh, with a weak economy, will be hard pressed to pay the enhanced salary bills. It is a big sacrifice that the state is making with the hope that every government functionary, high or low, shall make efforts to bring about changes for the better in the administration.

The lawmakers are the biggest beneficiaries of the latest pay hike. However, it has been reported time and again that they are more than reluctant to pay utility bills and taxes. This is a sore point insofar as bringing back financial accountability at the top level of the government is concerned. One would like to know what steps the government has taken to address the issue.

The pay hike will also give rise to the pertinent question of containing widespread corruption. The government may have deemed it necessary to increase the salaries keeping in view the soaring price level. But it must also have contemplated a tangible reduction in corrupt practices as the result of the salary raise. The question of a corruption free administration cannot really be treated in isolation from the pay hike. The beneficiaries themselves should bear it in mind.

Is the future of the EU in peril?



MUHAMMAD ZAMIR

THERE'S no denying that the European Union is currently in a political crisis. The UK, which has just taken up the helm of the EU's six-month rotating presidency on 1 July, faces an "uphill struggle" to pick up the pieces.

There have been big casualties of the recent referenda and the deadlocked budget. The most important appears to be the European idea and the European instinct of its citizens'. It is now clear that it is no longer politically incorrect to be anti-European, especially among young people. The referenda also provided an opportunity for voters to pass judgement on deeply unpopular governments in many cases over issues quite unrelated to the treaty or even the European Union in general. In a sense, the Union was taken hostage by the side effect of essentially national political dramas. This rejection was also an example of citizens rebelling against a decision-making system perceived to be too technocratic and too elitist. Many of them saw "Brussels" as a euphemism for some phantasmagorical "other" which has to be confronted, countered, bypassed or undermined as a threat to national interests.

Nevertheless, the last few weeks have seen many responsible politicians in Europe trying to clam troubled waters. A serious introspection is underway under the new British Presidency of the EU. It is trying to underline that it would be wrong to make enlargement the scapegoat for the no votes in France and the Netherlands. It is also attempting to point out that the sense of insecurity and social discontent stemming from high unemployment played a much bigger role in this regard.

Big guns are out again in

Brussels pointing out that EU enlargement has been a great success story. Numerous workshops in the last two weeks have sought to prove that enlargement has not only been one of the most important instruments of European security, but has also reflected the essence of the EU as a civilian policy. Different EU senior officials have also stated that through this process, the EU has managed to extend the area of peace, stability, democracy and the rule of the law. I agree with them. I believe that

country must achieve in order to become closer to the EU. This would eventually help them achieve better living standards and job prospects, better opportunities to work, better security and the rule of law. The western Balkan countries could then especially use EU-funded projects to pursue reforms and achieve priorities.

Another related area is Cyprus. The Commission is due to issue its next progress report on Cyprus in November 2005. In this context, Britain as the President of the rotat-

pressure to shift EU spending away from external to internal matters, especially where expenditure has not already been committed. This is expected to directly affect spending in the Balkans.

The third aspect will be the continued process of ratification of the EU Constitutional Treaty. The European Council will probably debate whether or not to take the Treaty "off the table" -- given developments in France and the Netherlands, but it is unlikely that it will totally halt the ratification process.

POST BREAKFAST

One thing is, however, clear. The EU might not be mortally wounded but definitely there will be serious consequences both for day-do-day functioning of the Union as well as for its contract with the peoples of the Union. The EU may now be forced to try to function in the 21st century with a system of governance and a democratic polity that was already grossly inadequate for the world of the late 20th century.

EU has used its soft power as an incentive for reform. One needs only to look at Spain and Portugal in the last 20 years, Poland and Estonia in the past ten years, or Croatia and Turkey in the last few years.

I will now try to touch on some of the significant issues that have emerged within the EU equation and will have to be tackled by the EU in general and the UK in particular.

The foremost among these factors is the question of enlargement of the EU, an agenda which is already stretched to its limits. Despite this however, the EU, as an important global entity, will be expected to stick to its word. This means that Bulgaria and Romania will join the EU in 2007, if they fulfil the conditions. It also implies that accession negotiations will begin with Croatia and Turkey once they meet the strict criteria. Similarly, for the western Balkans, the EU will also abide by the principles laid out through the meeting of the European Council at Thessaloniki in 2004.

The EU, through its Commission, will need to help them achieve this. The Commission, as in the past, will need to give every aspirant country a detailed list of tasks in its accession partnership or country partnership and identify key tasks that the

ing EU Council needs to review the problems of Turks living in Cyprus (which joined the EU in May 2004). Two proposed regulations on trade and financial assistance remains blocked in the Council. Over the past few weeks Commission officials have had "rather intensive discussions" with Turkey over the matter of how to unblock these regulations and create a "win-win" situation for everybody.

The EU from now on will need to approach enlargement less from a technical point of view and more from a communication point of view, and engage citizens in proper and open debate. This is required. The EU political leadership needs to understand that while enlargement has been a huge success in ensuring stability and growing prosperity in central and eastern Europe, unfortunately, somewhere along the way, the narrative has disappeared into a maze. This approach of engaging in a genuine dialogue with citizens could start in the form of civil society dialogue in Croatia and Turkey, aimed at giving a greater voice to students, journalists, trade unions and others in the European debate.

The second aspect will relate to the negative effects of budget talks in June this year. It will increase

Such a decision would be unjustified. So far nine countries have voted -- whether by referendum or parliamentary process -- to ratify the Constitutional Treaty. After France and the Netherlands, another 14 countries will still have the opportunity to pass judgement. Unless this is done, the EU will be fatally wounded. Only when the process of ratification has been completed in all 25 Member States can a final judgement be made about what should be done about the Treaty. It is true that implementation would require ratification by all Member States without exception. However, provision can be considered by the European Council to evaluate the best course of action in circumstances where only four fifths of Member States have ratified. This "moment of truth" may only arrive after the United Kingdom holds its referendum in the second half of next year.

The French and Dutch rejection of the Treaty came just fifty years after the Messina conference, which opened the way to the Treaty of Rome and the launch of the European Community. We should not forget that although Messina is rightly seen as a dramatic breakthrough for the cause of European integration, it was itself the product

of an equally grave crisis for the European project just a year earlier when France rejected the planned European Defence Community. Sometimes crises sow the seeds of unexpected progress.

The next factor that is drawing everybody's attention, particularly of those belonging to the ranks of the populist, nationalist, anti-European right, is whether the referendum results are a precursor of the demise of the Euro as Member States turn inwards toward a protectionist direction in an attempt

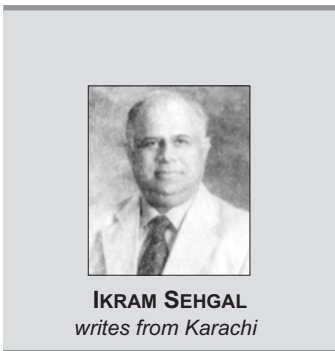
ments to respond effectively by acting alone. Globalisation, the emergence of the United States as the world's only hyper-power, and systemic threats such as global warming and international terrorism are just some of the challenges that have propelled governments (and increasingly organisations of civil society) to come together, to decide together and to act together. The European Union has been an advanced example of this kind of global response. It is a community based on sovereignty sharing, democracy and the rule of law. It is the kind of body which is being attempted in South-East, East and South Asia, in Latin America and in Africa. Given this dynamic, it is that much more unlikely that the EU will unravel.

One thing is, however, clear. The EU might not be mortally wounded but definitely there will be serious consequences both for day-do-day functioning of the Union as well as for its contract with the peoples of the Union. The EU may now be forced to try to function in the 21st century with a system of governance and a democratic polity that was already grossly inadequate for the world of the late 20th century. Indeed, it may also require the election of new national political leadership in some of the key Member States, over the next two or three years, before a conjuncture emerges in which a new constitutional process can begin. Elections are due in Germany this year, in Italy next year and in France in 2007 with all the current incumbents in some difficulty. This element might eventually induce some within the EU to request that serious new Treaty negotiations be postponed to 2007 or later.

In any case, in the meantime, there will probably be a period of drift and indecision -- a new phase of "Euro-sclerosis." The longer it lasts, the more unpredictable the negative effects will be -- for Europe and for the world.

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Security imperatives



IKRAM SEHGAL

writes from Karachi

THE recent London bombings, both the successful terrorist attack on July 7, 2005 (7/7) and the failed one on July 21 two weeks later, underscore the fact that public places are far more vulnerable to terrorist atrocities than family homes. Yet we are miserly in spending money for public places in contrast to what we spend to give adequate security to one's family. This vulnerability of mass transit means is usually at grievous human cost to the "extended family" i.e. the community, as well as the costs of material replacement and the economic disruption caused.

The huge cost associated with terror includes the cost of managing the crisis, liability and legal fees, enhanced insurance premiums, etc. This is besides lost revenues and impact on the morale of employees as well as the lost confidence of customers. Whether it be governments, organizations, individuals, etc security must be thought in terms of total cost, not simply the direct costs of putting a security system in place. Accountants are notoriously penny-wise pound foolish, they only tend to see the

narrow picture of direct costs. On too many occasions, security services are at the mercy of "purchasing departments" who by practice look at the lowest price, that is par for the quality they get, at grievous cost sometimes. What one saves in pennies, one can lose in both men and material many multiple times over. Even knowledgeable, experienced senior executives are susceptible to this "blinker mentality".

In a recent meeting when one of the security company owners ventured that the financial institutions could not really comment on the quality of the manpower as they were

breached, the media pillories the security companies from pillar to post for criminal negligence in providing adequate security, no thought is given to the culpability of purchase managers at compromising security by "going cheap".

Individuals and organisations with little (or no) knowledge of automation and/or electronics usually resist change from manual methods. A natural fear of the unknown is not abnormal. While many organisations cope by hiring specialist individuals or shoving technology down the throats of existing personnel, the correct

again given mere lip-service, untrained guards without adequate experience of handling firearms are a hazard, not for criminals or terrorists but for themselves and those they are meant to protect.

Little (or no) concern is given to "employees verification". This is true not only for security personnel of the security companies but for all general employees with a security cordon. Partly this is a responsibility of the security company but mostly it should be the responsibility of the firm or organisation that requires security. The tragedy is that other than a few foreign diplomatic mis-

sions, and that too of developed countries facing the acute threat of terrorism not only in their home countries but to their personnel and property abroad, there is virtually no background checks of the employees, whether on the payroll or outsourced. In present security terms not only the depth of religious beliefs but sect and ethnicity are important to know, there has to be constant monitoring to ensure "loyalties" are not subverted. It requires only one heavily armed employee, or loaded with explosives in today's suicide bombing environment, to get past an untrained, inexperienced security guard with or without adequate security equipment, for lives to be

lost and extensive damage to material. Security managers responsible for security must be the ones responsible for purchasing security, whether it be manpower or equipment. Security purchases cannot follow standard purchase procedures, that "transparency" would mean information to would-be attackers. Strict parameters must be laid down for evaluation of any tender bid, e.g. 70-80 percent of the marks given for the professionalism and expertise of the security providers, whether manpower and/or equipment, and 20-30 percent for

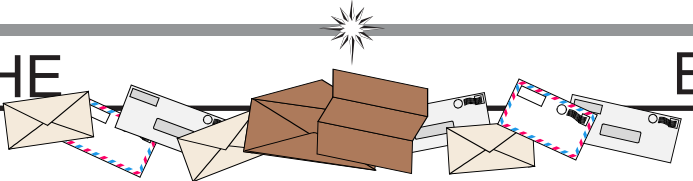
able security force in time of need.

There is a lot of security equipment around but caution must be the watchword as for their effectiveness. The security budget has to be adequately balanced to ensure quality manpower is backed by adequate security equipment. Since there no one has an unlimited budget, a thorough evaluation of needs against budget availability must be made. Wherever manpower can be replaced economically by electronic means it must be done so, today's remote CCTV also provides absolute intelligence. All 777 and 2177 bombers were quickly identified by careful processing of available CCTV footages on DVDs.

It is necessary to have a constant two-way flow of adequate real-time security information, any security shield would otherwise be vulnerable to potential security threats. Wherever and wherever government intelligences can, they should without compromising natural security, share real-time intelligence with private security entities. Security organisations must attempt to assemble the best possible group of professionals. The best way to minimise security threats is to wage-game possible scenarios, this can be done only by well informed, dedicated and capable security professionals forming a responsive "think tank". In Pakistan, security imperatives must be given due importance or we will remain susceptible to both criminal and terrorist activity.

Ikram Sehgal, a former Major of Pakistan Army, is a political analyst and columnist.

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.

Theft of telephone cable

Here is another example of poor governance in a deteriorating society. Our residential fixed line telephone of TNT went out of order (no dial tone) after four days of the preceding repair. I went to the nearby field T&T office to register the complaint, and was told that a section of the telephone cable had been stolen.

This is a new social menace. If such thefts occur at 50 points in the vast city each week, how the telephone service would run efficiently? It is not possible to guard every 100 yards of line by the night guards who patrol the mohalla section of locality at night blowing away their whistle (he is alone, and could be easily overpowered by the miscreants). Other examples are the theft of manhole covers and steel railings around public parks (no flood-

lights). The mega-expensive subway rail project can come later, what has happened to the sense of priority in public services? Learn first to overcome the small problems, before thinking big, when we are lousy in maintenance service. **A.Abad, Dhaka**

Corruption at Benapole

To a young mind as mine who did not yet leave college campus, the world of rampant corruption and bribery within the ambit of government officials was so long out of practical experience. Though I very often come across stories and learn from newspapers about corruption having eaten up Bangladesh. An urgent visit to Kolkata recently through the Benapole border and return by the same route struck me with that experience. To speak the truth, the immi-

gration police officer, custom officials and BDR personnel make no secret of the practice with the hundreds crossing the border daily. Even the officials at bank operating to collect immigration/embarkation fees make it incumbent to pay them in excess of the prescribed amount on the plea they are not supposed to start their work so early in the morning. All night coach passengers reach border just at the day break.

No hide and seek or shame in asking for money. The immigration police official who is to verify the passport/visa and see if the holder is any one of the unwanted list or with any doubtful credentials, will not put his signature and stamp until paid some extra. If bad luck descends on you, you have to get out of his clutch by coming to terms with him paying a respectable amount. Anybody daring to argue will be driven into a corner, be hard put to undesired grilling that would

cause him delay and would miss the bus on the Indian side of the frontier. But if you are one of the passengers of the luxury coach with ticket up to Calcutta (fare is Tk 700) you need not go to the bank or face the immigration police officer. The coach supervisor deposits your fees to the bank and gets your passport signed and stamped, thanks to the clandestine arrangement to pay them certain agreed amount per passport. Hence the high charge of coach fare.

Then for your custom clearance you will stand on the queue before the custom house with your passport and a hundred taka note in hand. Oh God! No checking, nor any query. The custom subordinate staff will promptly take you to pass through giving the officers the nod that the payment has been made. There are hardly a few who refuse to pay and who try to do so with gruelling hassle only to give in to their demands.

Five hundreds of people from Bangladesh go to India daily for medical treatment and other purposes and they return in same number. While returning you may have your bag(s) filled with what you have liked and bought from a foreign land with whatever money you could save. But you will confront BDR personnel who are to pass you on to the custom after a glance at you and of your passport, maybe to be sure that you are the person who had gone this way and has come back, also just to receive you from the Indian BSF who let you pass off their check-post. The BDR personnel keep no record. But they have their eyes on your luggage, and scare you out for what you have brought though you have brought nothing prohibited under the custom law. This is however the sole discretion of the custom officials.

Ahmed Niaz Shekherterk, Mohammadpur,

Dhaka Use of solar energy

Why solar energy electricity generation is not picking up in Bangladesh, and getting popular like the craze for mobile telephones? The RE (renewable energy) technology has yet to make its presence felt in the developing countries.

It is not that the government or the international agencies are not taking interest. Under the UNEP and other forcing donor agencies, some pilot projects are being encouraged in Bangladesh, and our REB (Rural Electrification Board) is also aware of the advantages and applications. The question is of its availability at different economic levels.

It comes down to the economics of marketing. The current production rate of electricity from solar units is around \$6-9 per installed watt, while experts predict lowering of the cost to around a dollar per watt within a decade. But the R&D

(research and development) in the industrialised countries is lagging behind by about two decades, due to lack of interest and official patronage; so long fossil fuels (oil, gas, coal) are available cheaply. No one knows the extent of the untapped reserves below the surface, and how long it would last.

There is an international society to look after RE sector, known as ISES -- International Solar Energy Society. The name of its official journal/magazine is Refocus. It has to make its presence felt in the Third World.

Japan is leading in the use of RE. The production of PV (photo-voltaic) cells doubled within 2000-2003. The initial investment cost is high. The other alternatives are wind turbine, use of the water tides, and bio-gas.

In Europe more than half of the total energy use is for house warming and water heating (in a temperate Zone). This green energy can

prevent 80 percent of environmental pollution, once cheap technology is available for mass production and use all over the world, including the third world countries.

It appears that R&D is rather a hush-hush affair, as energy control is a powerful political weapon. Recent research items to overcome the cost barrier relate to ECHP/ SCHP or concentrating PV-thermal technology.

According to scientific predictions, the world is going to face a severe water shortage globally. Processing of sea water for human uses is costly from the energy expenditure angle. If cheaper solar units could purify seawater, a great problem would be solved. It is time for Bangladesh to start thinking about an Energy Master Plan for the coming decades.

A M M A Abad Dhaka