

Food security and domestic market reforms



ABDUL BAYES

BENEATH THE SURFACE

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discourse.

Basically, FS is a developmental problem. A household can be termed food insecure if its consumption is low or inadequate compared to the dietary needs for an active and healthy life. Of course, the inadequate supply is caused by the inadequacy of the purchasing power or lack of entitlement to exchange food. Both low income/asset base and high retail food prices could cripple such entitlements of food deficit households.

The eminent economists at that workshop identified four specific sets of issues in this context: (a) distributional issues; (b) domestic supply side issues -- covering both agriculture and infrastructure amongst the non-agricultural sectors; (c) international trade issues; and (d) domestic trade issues. The presentations attempted to outline the channels through which these four sets of issues affect household income and retail price of food, and hence their purchasing power and ultimately their degree of food (in) security.

Poverty is at the root of food insecurity. Households with little or no assets (including land) would suffer the most from food deficit. Their entitlement is limited by the limited purchasing power or their

meager income that might not enable them to buy food priced high at retail level. Even those owning some land are not better off due to very tiny size of land holdings that severely limits access to home-grown food. This is especially true among many of the countries in South Asia, including Bangladesh. They are the net buyers of food and food intake remains pitifully low due to insufficient purchasing power.

The rich farmers are generally net sellers of food where a high food price adds to their kitty to keep them food secured. Thus the extent of inequality in the distribution of income/assets partly explains the

variations in FS across households. The solution is then to generate income earning opportunities for poor people. And the durable solution is sustained economic growth. No matter what the distributional consequences might appear apriori, a robust and sustained economic growth is the main means to end food insecurity across households.

In the absence of sustained durable economic growth, well designed and well implemented income transfer programs can, in principle, be an effective alternative for increasing the income of the poor. But unfortunately, such programs are, in many cases riddled with numerous problems pertaining to coverage, targeting, inefficiencies, corruption and leakages. The safety net programs, allegedly, have turned into safe havens for the healthy and wealthy ones, pushing the needy on to the back burner.

Inadequate income aside, high food price is another dominant deterrent to FS. The shortage in domestic production, if not met by timely imports, might witness price hike. Even with internal trade, the situation gets aggravated due to abrupt swings in the international market. Thus, national level food insecurity translates into household level food insecurity and at the same time national level food security does not entail household level food security.

Food prices can be high even when sufficient food is available in the country. Two important factors could fan the fire: (a) the high transport and storage costs; and (b) high domestic trade margins. High storage and transport costs are caused by lack of roads, ports, railways, warehouses, etc and are uneven across regions, causing regional disparities in FS.

High domestic margins are the result of oligopolistic markets rather than competitive markets where a large number of buyers and sellers act with easy entry and exit. High trade margins imply that farmers receive a low price for their produce while consumers pay a high price for

their purchases.

That is, the farm gate price of food and other products are disproportionately low while it is high at retail levels. With high storage and transport costs and high trade margins, food prices may rise even with increased national supply of commodities. That is, household level food insecurity can co-exist with national level food security.

The critical roles of infrastructure and domestic market reforms are keys to addressing the issue of food insecurity. Empirical evidence elsewhere tends to reveal that a region with better infrastructural facilities tends to face fewer risks with food insecurity while the most insecure regions are those with backward infrastructure.

Rural infrastructure building thus emerges as the most important intervention in facing the problem of food insecurity. Such infrastructure works in two ways: first, by engaging the poor in construction and maintenance of infrastructure and thus enhancing their entitlements in the

markets, and second, by allowing free movements of food from firepan to the fork resulting in low marketing margin, low prices.

Domestic market reforms -- updating the laws and regulations -- are very much needed. Recent allegations about business syndicates in Bangladesh and their ramifications, as admitted by the Commerce Minister himself, point to the observation that unless reforms are afoot, food insecurity might exist despite sufficient food supply.

Bangladesh has progressed reasonably well in terms of rural infrastructure (although many miles yet to go) but domestic markets, allegedly, are captives of some unscrupulous traders. The IFPRI workshop tried to remind policy makers that perhaps all that glitters in the name of food self-sufficiency is not gold in terms of food security of the poor people. The sooner we realize this, the better it is for us.

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THE International Food Policy Research Institute (IFPRI) recently organised a workshop on "Trade Liberalization and Food Security." Held in New Delhi under the aegis of its Asia Office, the workshop on food security (FS) went through a number of case studies relating to FS in South Asian countries, and suggested some important ramifications resulting from the nexus between FS and liberalisation. In this column today, we shall try to present an analytical framework on FS as revealed by the

Ministry of NRB Affairs: A closer look

The more these talented people return to serve our country the better are our chances of rising to the top among Asian nations. After all, in basic intelligence and capabilities, Bangladeshis are in no way behind any other nation, as has been proved again and again by Bangladeshi expatriates occupying high positions in multinational companies or even as entrepreneurs of newly-established foreign private companies.

AS ISLAM

Na recent article titled "How About a Ministry of NRB Affairs" in the Daily Star (May 19, 2006), Mr. Zafar Sobhan, the Assistant Editor, explained the need for creation of a Ministry of Non-Resident Bangladeshis (NRB), similar to those that already exist in India and Pakistan. The idea of creating the Ministry of NRB Affairs as proposed by Mr. Sobhan, and later endorsed by an expatriate, Dr. Matiur Rahman in the "Letters to the Editor" column deserves high-priority consideration by the government. If the ministry is created, good chances are that it will continue regardless of the change of the regime. Otherwise, the tendency is that any action, irrespective of its merits, changes with the change of regime.

Two examples

In the early 1970s an SSC candidate, in order to pass, was not only required to obtain average pass marks in the board examination but in addition had to produce a certificate that two illiterate persons learnt Bengali alphabets and simple

arithmetic from him. Imagine the impact of that program if it had continued.

The other example is based on my personal experience. It was 1973. In an effort to bring back expatriates for the building of the newly created sovereign state, the Ministry of Foreign Affairs circulated a letter to non-resident Bangladeshis (NRB), asking them whether they would like to return to Bangladesh; if so on what terms and conditions.

I was then in Dar-es-Salaam, Tanzania, on leave from Dhaka University. I also received a copy of this circular. Bangladesh responded in an overwhelmingly positive manner. Such a well-intended move died down soon.

According to unconfirmed reports, the civil servants who wielded power at that time didn't like the idea that the expatriates would enjoy more pay and privileges than them. So the permanence of the proposed NRB ministry needs to be considered before its creation.

Agenda

If the ministry is created, one of its most important tasks will be to

identify the NRBs available in various fields and create databases, one for each field. Once such databases are available, arrangement by the proposed ministry may be made so that a copy of any advertisement requiring a highly qualified scientist/technologist may be sent individually to such persons inviting them to apply. Surely, as pointed out by both Mr. Sobhan and Dr. M. Rahman, such experts are available and their services would cost the exchequer less than the services of their foreign counterparts.

Many of them would like to offer their services on a part-time basis without leaving their present jobs. Because of their exceptional ability and extraordinary experience, such expatriates may be able to discharge their responsibilities taking advantage of IT advancements such as video conferencing, cell phone facilities, and illustrated email messages. By working part-time such persons may be able to provide the country almost the same benefit as they could have if they were appointed full time by the GoB or an industry.

Creation of websites
I shall cite an instance as to how a recently launched website: "Global Network for Bangladeshi Biotechnologists (gnobb.org)" has been able to create a database of 166 expatriate biotechnologists working all over the globe particularly in the US, Japan, and UK.

The main drawback for many expatriates with grown up children is to find a good college or university in Bangladesh where their wards can pursue their education. For them a part-time employment is the best solution so they could finance the education of their college and university going sons and daughters.

Databases

The help of the Foreign Ministry will be needed to collect preliminary information on all possible sectors, namely, on those of science, technology, industries and trades for the proposed ministry. It is a lengthy process, but judicious use of IT will make it simpler for the Foreign Ministry to keep track of non-resident Bangladeshis engaged in various kinds of professions or pursuing undergraduate, graduate, or post-graduate degrees, and to pass on the information to the proposed NRB ministry for the final preparation of the databank.

Working in a particular field of biotechnology

merely by entering a specialised field in the search box on the right hand column and pressing the box marked "GO" underneath.

Supposing an interested person wants to know how many Bangladeshi biotechnologists (BB) are working in different fields of "cancer," all he/she needs to do is to write the word "cancer" and press "GO."

It will retrieve names, each with a hyperlink giving the relevant information of that person, in brief, with his expertise and email address; similarly, names in plant biotechnology and names in tissue culture will show up.

Possible avenues of help

There are important organizations such as The Engineering Institute, Bangladesh Medical Council, Bangladesh Academy of Sciences, Bangladesh Association for Advancement of Sciences, individual scientific societies on different disciplines including those on engineering and medicine, Chambers of commerce that the proposed ministry may approach for help in the data collection process.

After the proposed ministry launches a dynamic website with an online submission form for the expatriates to directly fill in, and the news gets round, the seemingly difficult task will become much easier.

In the GNOBB website some online forms can be viewed although they were created for

talented people to return to serve our country the better are our chances of rising to the top among Asian nations.

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One adverse effect

Mr. Sobhan may not have noticed one dismal side of the picture. It is true that there are more Bangladeshis who are anxious to return to their motherland but there are others who do not have time to teach their children Bangla or Bangladeshi culture.

In Austin, I attended a number of cultural functions arranged by the Bangladeshi community. The children, who accompany their parents, are least interested in attending those shows. Most of them hardly know the language and as such do not enjoy such functions. They do not know our history as to how Bangladesh was created. Before we realise it, there will be less and less of such cultural functions in the US and other foreign lands.

On the other hand, look at other communities: Chinese, Sikh, Indian and Pakistani. They speak their own language, follow their culture and visit their parent countries much more often than Bangladeshis. The result is that while the ties of expatri-

ate people, other than Bangladeshis, continue to remain strong with their motherland, many young Bangladeshis in foreseeable future will no longer take pride in our culture and soon be lost to this country.

It is high time that the Bangladesh government takes suitable steps to reverse the process. In the event the NRB ministry is created, a separate division needs to be established. The responsibility of this division will be to investigate, with the help of embassies and High Commissions, into the causes that gradually detract the children of expatriates from taking interest in Bengali culture, and those that dissuade them from learning the mother tongue.

In this matter we can follow the British Council or American Information Center by founding Bangladesh Council in important cities of the US and the UK to begin with. It would not cost the government much because Bangladeshi expatriates living in those cities will, for sure, come forward to help in the establishment of such centres and take active part in running them.

I support the creation of an NRB ministry on a pattern in conformity with our own style and culture and not necessarily a copy of such ministries that exist in India and Pakistan.

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Nobel Prize had to resign because his assistant was a German spy. The former Prime Minister of India, Lal Bahadur Shastri, resigned as Railway Minister subsequent to a railway accident that he was held accountable for under the doctrine of ministerial responsibility.

This is a critical stage for politics in Bangladesh. The expectation of the people is that political leaders will overcome the controversial issues with their acumen, insight and their excellence in negotiation.

In an article published in the New Nation on June 12, 2006, Mr. Mainul Hossain observed: "In our view, the present political leadership, either of BNP or Awami League, cannot save democracy or even their own leadership. The present party politics is either about corruption or about reckless violence. In short, the crisis the people are facing is the crisis of failed political leadership."

The crises the nation has to deal with involve the issues of free and fair elections, dealing with corruption and reckless violence, and establishing good governance and rule of law. On the economic front, poverty reduction and attainment of the millennium development goals are fundamental objectives that political leaders must work towards in order to gain the confidence of the population.

The history of our civilisation and background of our multi-party political structure speak of overcoming serious challenges in the past. Parliamentary democracy is the basic of our system of governance. The parliament must be a house of talented and dedicated representatives who formulate laws for the welfare and development of the nation. It should not be a house of slander and slaughter, as Zulfikar Ali Bhutto intended it to be in early 1971. Our political leaders will hopefully withstand the test of time and make politics a more noble, dignified and prestigious profession to serve the cause of the nation.

Dhiraj Kumar Nath is a freelance contributor to The Daily Star.

In praise of VP Singh



PRAFUL BIDWAI

writes from New Delhi

Mr Singh has now revived his Jan Morcha with Mr Raj Babbar, who was recently expelled from the SP. One can only wish Mr Singh well as he fights for an equal and just social order in which the poor can live with dignity and pursue the agenda of emancipation.

Nor can one attribute Mr Singh's relevance largely to his stature as the "Mandal messiah," who a long 16 years ago extended affirmative action to the Other Backward Classes.

Mr Singh's relevance derives from his unique role as The Transition Man, who bridges many divides. Mr Singh was influenced in his youth by Socialist thought, but joined the Congress. Yet, he quit the Congress in 1987 and became the non-Congress parties' biggest rallying-point.

He has since continued to be pivotal to all efforts to mobilise Centre-Left forces. No other person has offered so many bridges across different parts of the spectrum.

Mr Singh stands at the centre of India's shift from leader-driver, top-down, manipulative politics, to a politics of plebeian self-assertion. It's not that leaders no longer matter -- of course, they do. But subordinate groups like Dalits and OBCs have become vocal. They want self-representation, rather than patronage-indirect representation on their behalf.

This is reshaping Indian democracy into a system that is seen by the people as capable of empowering them -- not just exercising power over them. The change has helped formal democracy, based on representation and elections, acquire a more substantive character.

Every week, he addresses dozens of public meetings and activists' discussions in different cities, taking a stand on the front independent of both the Congress and the BJP can be formed.

None of this minimises the importance of Mr Singh's decision to implement the Mandal report. This was done partly to counter Hindutva, which then posed a big challenge to secular politics. But Mandal's significance lay neither in this, nor in opening up 15 percent of Central jobs for OBCs -- barely 14,000 annually, or a drop in the ocean.

Mandal's true significance is that it mainstreamed affirmative action

and civilian decision-making, foreign arms manufacturers and domestic recipients of bribes, and between them and middlemen like the Hindujas.

The Bofors investigation turned exceptionally rich information and generated an outcry. With Bofors, VP Singh too became a household name.

Over the last five years, Mr Singh has forged links between political parties, on the one hand, and people's movements, non-party political groups and NGOs, on the other. He tirelessly defends the rights of slum-dwellers, informal-sector workers, landless Dalits, and victims of displacement.

No political leader has done more for the Right to Information campaign in the Hindi belt than Mr Singh.

Mr Singh always tries to reach out to movements of the downtrodden. His amazing dedication to the underprivileged and the energy he gets from it explains why 12 years after he was detected with a nasty cancer, as well as kidney failure, he continues to be active among marginal groups who are nobody's constituency.

Every week, he addresses dozens of public meetings and activists' discussions in different cities, taking a stand on the front independent of both the Congress and the BJP can be formed.

Platforms like Jan Morcha will continue to reshape public thinking in parts of India along broadly progressive lines. The political space that Mr VP Singh represents will also expand.

One can only wish Mr Singh well as he fights for an equal and just social order in which the poor can live with dignity and pursue the agenda of emancipation.

Praful Bidwai is an eminent Indian columnist.

1863] was most well known for its spirit and vision. Lincoln began his speech by saying: "Four score and seven years ago our fathers brought forth upon this continent a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal."

Lincoln defined democracy and merit of independence: "That this nation shall have a new birth of freedom; and that this government of the people, by the people, and for the people, shall not perish from the earth."

His sense of ethics is evident from the following quote: "With malice toward none, with charity for all, with firmness in the right, as God gives us to see the right." There were many outstanding leaders in the history of the US and the world at large, but Abraham Lincoln was admirable because of his belief in democracy and because he sacrificed his life to establish human rights.

Around the world there were many great leaders who changed the history of their nations with their magnificence, charisma and, above all, their patriotism. One of the great leaders was Simon Bolivar of South America. His contributions towards the independence of Bolivia, Colombia, Ecuador, Peru, Panama, Venezuela were unprecedented.

Influential leaders in history include Sir John Macdonald of Canada, Sun Yat Sen of China, Otto von Bismarck of Germany, Sukarno of Indonesia, Tunku Abdul Rahman of Malaysia, Habib Bourguiba of Tunisia, Julius K. Nyerere of Tanzania, Kemal Ataturk of Turkey, Ho Chi Minh of Vietnam, Nelson Mandela of South Africa, Sir Edmund Barton of Australia among many others.

Queen Victoria of England, Queen Isabella of Spain, Queen Catherine the Great of Russia, and Empress Tzu-his of China made glorious contributions during their respective reigns. Prime Minister of Britain Margaret Thatcher, Prime Minister of India Indira Gandhi, Prime Minister of Sri Lanka Srimavo

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