

...non-traditional bonanza

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in these fairs. Recently, the entrepreneurs are asking more support in technical cooperation (hiring technical expertise in designing new items, quality controls, capacity building of workers etc.) than marketing.

Diversified jute products

The once golden sector has started to revive itself but at a much slower rate. The sector has diversified its product type from jute yarn and canvas to jute cloth, shoe sole, and complete shoes, geo textiles etc. The recent closure of four government-owned jute mills spurred much debate. The wage of jute mill workers in India is almost double that bring to the jute mill workers in Bangladesh. India is importing quality raw jute from Bangladesh at high cost. Then why jute industry in India is flourishing and our jute industry is dying. It is because the jute industry in India are getting too much support from government - (i) 20% cash subsidy on capital investment, (ii) cash subsidy in the name of External Marketing Assistance (EAM) on export quantity in certain countries, (iii) Duty Entitlement of Pass Book (DEPB) Scheme which provides electricity and other utilities at less than market rate, and (iv) cheap loan from Technology Up-gradation Scheme for modernising machinery.

Therefore, in a well-thought-out decision, the current government decided to lease out eight state-owned jute mills to the private sector and foreign investors. Two jute mills in Chittagong have already been leased to foreign companies. To many experts and analysts, this will provide the much necessary vigour and boost to the sector. This decision also came

at the right time when many consumers in developed country are spending more for environment friendly products. Recently some policymakers are stating that government needs to prohibit raw jute export to ensure the availability of cheap raw jutes for these mills.

Handicraft

Experience shows that handicraft exports worth 1 million USD usually provide employment and income for 13000-14000 village women, while similar size of RMG exports generates only 300-400 jobs. So, this sector has the most potentiality in directly improving the livelihood of rural poor. The government and policy makers must view the sector from this perspective and assist the entrepreneurs and exporters to search for new market, innovating new products and boost export volume.

Look at India as to what they are doing to boost this sector - the ministry concerned has developed a GIS based handicraft website. The artisans can form a group and register themselves through this website. The website provides space for each group. The local officials assist the groups in uploading the pictures of their handicrafts and designing the web page. Then the ministry assist them in four dimensions capacity building of the group, financial assistance at zero interest rate, technological assistance (design, raw material and improved equipments), and marketing assistance (regularly arranging sales cum exhibition at tourist points). Because of this scheme, the handicraft export increased from Rs 5058 crore in 1998-99 to Rs 13032 crore in 2004-05. The group formation has not much implication in case of our country as



most artisans have direct linkage with exporting institutions. Technical assistance, marketing support and cash subsidy are the necessary policies to boost this sector. The government may also build a shop-

ping mall exclusively for handicraft products at Dhaka (this exists in case of computer products at IDB Bhaban) to boost sales and production for local consumption.

It can be said that the

interim government has been trying to eliminate most of the generic supply side constraints: port cost, weak utility service, invisible cost of doing business, lack of information, etc. since January 11,

2007. It is high time we provided all necessary support to promote the non-traditional sectors. Growth of these selected sectors will not only diversify the export basket of the country but also will

reduce our poverty considerably.

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Modernising agriculture

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others. Each one of these issues deserve close attention by the policy makers in order to ensure continued smooth functioning of the fertilizer market.

Irrigation, specially ground water based irrigation has expanded rapidly over the past three decades. Market liberalization has helped this process. The emerging challenges are water use efficiency, water quality, surface water management, conjunctive water use, technology shift in water management and monitoring of water quality. No less important is energy supply for irrigation, electricity and diesel. Uninterrupted supply of electricity and timely availability of diesel in adequate quantity at a reasonable price are two major concerns of farmers. Access to credit to purchase irrigation equipment is another major issue. Also, a new and innovative approach is required to improve on-farm water management.

Mechanisation of agricultural operations is on the rise prompted by labour scarcity, drudgery of agricultural work, market liberalization and land use efficiency. Key challenges for the future are efficient use of machinery, training, vocational education, changes in tax/tariff policy to encourage domestic

production of agricultural implements, incentive to farmers in terms of fiscal/price support and access to credit, improved servicing and technology development.

The current land ownership pattern and tenurial system has given rise to many questions regarding economic size of land holding, problem of fragmentation, land as collateral for access to credit, adoption of new technology, distribution of benefits from adoption of new technology, commercialization and others. A land market has not yet fully developed although there are signs that the country is moving that way. Application of labour, specially family labour, is no longer a unilateral decision given alternative use of labour in non-agricultural activities in rural areas. For many families, agriculture has become a partial source of income. In this evolving scenario, it will probably be desirable and more productive to focus on land use planning on the basis of agro-ecological zone, soil degradation, loss of land to non-agriculture and other uses, and land administration.

Development of marketing chain is the key to commercial agriculture. This is the weakest aspect of Bangladesh agriculture. There are many challenges, the

most critical are infrastructure (e.g. feeder roads, markets, cold storage), processing, packaging, transport and market delivery, value chain linkages and management and food safety. Moreover, both farmers and traders need assistance to manage market related risks. Grain banks, crop insurance, infrastructure, and modern processing, among others, are important issues requiring urgent attention.

Perhaps the greatest challenge for the future lies in making agricultural research and extension more clients oriented and demand driven. The agricultural research system has been suffering from inertia due to critical institutional, management and funding problems. The research institutes are not geared to face the challenges of the Twenty-first century. Given the backdrop of Bangladesh agriculture and its competitive strength, research efforts of the future should focus on land, labour and water saving technologies, as well as product development and quality improvement. In this context, the role that biotechnology can play in meeting the challenges of food security, without compromising on food safety merit serious consideration. Finally, extension has to make breakthrough in

disseminating new technology and information in terms of bottom up service delivery and promotion of community based systems.

Conclusion

Bangladesh is likely to be a linear urban sprawl with agriculture being a hinterland of this urban conglomerate. Rural economy itself would be much more diversified and linkages forward and backward would bring rural Bangladesh closer to urban Bangladesh. Agriculture will be transforming itself, in the process of its modernization, from subsistence to more commercial activity driven by considerations of food as well as livelihood security, economic growth, employment generation, poverty alleviation, risk management and natural resources conservation. In the process of its modernization, agriculture will undergo further structural transformation consistent with the changing nature of the economy, specially composition of its labour force, pattern of consumer demand and emerging regional as well as global trade environment.

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