

Hasina should be allowed medical treatment abroad immediately

All the good that you may have overseen during this unique, and, dare one say, debatable period of our nation's history will be severely undermined if you refuse to employ the singular power, bestowed upon you by the state of Emergency, to override her current legal conundrum (particularly in the light of the recent High Court decision) as a result of her fragile health.

RASHID SUHRAWARDY

IN spite of a certain general cynicism (shared by me, I must admit), I am personally now happy that the High Court has, at this time of writing, given its verdict that the charges brought against her under the state of Emergency laws were illegally prosecuted and that she should now be given bail.

As the law plays its unique game of ping pong, there will be the inevitable appeal to the Supreme Court. The whole world waits to see after the British foreign secretary's and the US assistant secretary of state's visit to Bangladesh and their conjoined offers of advice, whether our judicial system will still honour and respect our constitution.

We all await to see if Sheikh Hasina or Khaleda Zia were to be released from jail, as a result of High Court or Supreme Court decisions, whether they would then be subjected to the farcical merry-go-round of past regimes and be re-arrested, even at the prison gates, because it is evident, some may argue, that this government's manifest modus operandi is to ensure their disqualification from contesting the next elections, and it will bring charge after charge against them in order to achieve that goal.

Having said all this, my concern regarding Hasina is personal and nothing to do with politics. I am asking this government to look into her personal condition. She has had to suffer the mental and physical torture of being in solitary confinement since last July.

My father, Huseyn Shaheed Suhrawardy, was imprisoned by Ayub Khan from January 1962 to August 1962 in Karachi Central Jail, without any charges being brought against him, in order to prevent him from leading the opposition to Ayub's change of the constitution which allowed the latter to devise and inflict upon the country the nefarious and non-democratic Basic Democracy system.

My father was not allowed to see any member of his family or even a lawyer until I was "graciously" permitted by the president to visit him on August 12th, seven months into his incarceration. As a result of the mental, as well as physical torture, of his imprisonment it was subsequently diagnosed (though doctors at that time could not medically explain the reasons for it) that he had lost one degree in his

body temperature, so that his normal temperature suddenly became 97.4, as opposed to 98.4, which is generally recognised as being the mean average for most human beings.

This anomaly subsequently created havoc with doctors and hospitals both in Pakistan and Europe, who were not able to comprehend the approved medical science for such a radical drop in body temperature. Within five months (January 1963) he sustained a massive heart attack and he died in December of the same year. No one at that time had really appreciated the emotional, physical, and mental strains that solitary confinement, even if it is not spent in the dingy, dank dungeons of a public jail, can wreak upon an individual, particularly of advanced years. That ignorance or neglect of his personal circumstances may or may not have cost him his life.

The fact of the matter is that Sheikh Hasina is unwell. She is seriously unwell. I don't care what DIG (Prisons) Major Shamsul Haider Siddiqui has reported to the



press. He, with no medical qualifications, is passing on information that he is not professionally qualified to convey. We are all aware that Hasina nearly lost her life on August 21 two and a half years ago. As a result of that assassination attempt she suffered irreversible ear damage. She is afflicted with serious and very acute eye problems. She has diabetes. She has high blood pressure. All these complaints -- and they do not even take into account the mental and emotional effects of being in solitary confinement, to which I have already alluded -- can only be attended to away from her current environment.

Mr. Chief Adviser, I am making a personal plea to you. I think that many historians will accept the fact that my father's death may have been engineered by an Ayub/Bhutto conspiracy. We all know the circumstances as to how Sheikh Mujib and virtually his entire family were murdered on August 15, 1975.

Mr. Fakhruddin, I entreat you not to be at the helm of our country's leadership if Sheikh Hasina,

because of political bias, anger and resentment, should not be given the medical treatment she needs.

All the good that you may have overseen during this unique, and, dare one say, debatable period of our nation's history will be severely undermined if you refuse to employ the singular power, bestowed upon you by the state of Emergency, to override her current legal conundrum (particularly in the light of the recent High Court decision) as a result of her fragile health.

I humbly ask you to use your influence -- whether or not she, in her obstinacy, will agree -- to give her the opportunity of seeking treatment abroad immediately.

Sir, I put my hand on my heart and give you my word that in making this plea I have not been in touch with Sheikh Hasina or any member of her family or any member of the Awami League or any member of her legal team. This, as I have already stated, is a personal appeal. Our country has produced enough martyrs in its thirty seven year history. Please don't add one more.

Rashid Suhrawardy, a London-based professional actor, is the son of Huseyn Shaheed Suhrawardy.

Time to restore financial discipline

Absence of financial discipline and weaknesses of financial rules are responsible for degeneration in the society and spread of corruption at large. Commercial enterprises and individuals take advantage of such weaknesses of financial management of the government and earn as much benefit as possible.

DHIRAJ KUMAR NATH

A few days ago the Securities and Exchange Commission decided that Public Limited Companies with paid-up capital of Tk. 500 crores or more, and in commercial operation for 3 years, must go for Initial Public Offerings (IPO) within a year. The Commission also decided that the Private Limited Company whose paid-up capital reached or exceeded Tk. 40 crores or more must transform into a Public Limited Company within one year.

All mobile companies, electric and gas distribution and transmission companies, 3 nationalised schedule banks and hundreds of companies in the private sector will be covered under this directive.

This will obviously compel many profitable companies to float their shares in the market, and help reduction of accumulation of shares and debentures in the hands of a few.

Such an important order should have been issued much earlier, but the Commission, however, deserves appreciation for doing the same; better late than never.

There are a number of companies in the country that deal in millions of dollars, but stay confined within the family as chairman and directors with the tacit consent and silent support of the Registrar of Joint Stock Company. For a Public Limited Company, there is a provision of holding annual general meetings and declaration of dividend in a transparent manner,

which some entrepreneurs do not consider convenient.

A few days ago, instructions were issued asking the ready-made garment manufacturers to honour the rules of compliance and address the welfare issues of employees.

The chief adviser, while speaking as chief guest in the SME Foundation a few days ago, asked all banks and financial institutions to create a women-friendly atmosphere in their dealings within their premises. He urged upon them to facilitate and encourage women entrepreneurs to invest in the small and medium scale industries and, thus, contribute remarkably in the national economy.

He also cautioned against adoption of any discriminatory steps

against women entrepreneurs in the disbursement of loan and advances.

Besides, a critical problem identified was the difference in the rate of interest between the term deposit and the disbursement of loan. A person can hardly get 10 percent interest or return for his deposit or investment in a bank or financial institution. On the other hand, he has to pay a minimum of 16/17 percent interest for loan granted in his favour, apart from the security deposits and stringent conditions imposed on him for repayment. There are also provisions of service charge and penalty clause in case of default in payment of installments.

In consideration of the above, stakeholders and social scientists are of the view that the difference should in no way exceed two percent to encourage the growth of a healthy economy in the country. Presently, enough capital is lying idle in some banks, without appropriate or rewarding areas of investment. Bangladesh Bank should

examine this issue in depth to create a better investment climate in the country.

Most of the financial institutions and micro-credit organisations are involved in the process of financial juggling, calculation, and earning of profits at the cost of depositors and small entrepreneurs. Even port and housing authorities, electric and gas companies, and corporations with their autonomous identities and empowerment, are framing financial rules to their advantage and encouraging their employees to adopt dubious and corrupt means of deceiving the customers in general.

To prevent the micro-credit organisations from charging around 25-30 percent interest on loan, a Micro-Credit Regulatory Commission was constituted in the year 2004, and is now operating under the supervision of Bangladesh Bank.

While defining corruption, an economist observed: "Corruption is a crime of calculation." This is

true, when we find the Anti-corruption Commission asking an accused to submit a statement of accounts of the property he owns, with values and sources of financing. The accused might remain free provided his calculation is prudent and found acceptable, failing which he is liable to be charge-sheeted as an offender and corrupt person.

Absence of financial discipline and weaknesses of financial rules are responsible for degeneration in the society and spread of corruption at large. Commercial enterprises and individuals take advantage of such weaknesses of financial management of the government and earn as much benefit as possible. The ambiguity of circulars or instructions help the tax-evaders to get the opportunity of under-invoicing or over-invoicing and, sometimes, money-laundering.

The financial circulars/directives/orders that generate confusion are also responsible for delaying the process of procure-

ment and, sometimes, creating stalemate in the speedy disposal of businesses. In most of the cases, distortion of facts takes place due to the misinterpretation of directives. On some occasions, certain audit objections travel up to the public accounts committee and remain unsolved for years together.

The debate on interpretation between the comptroller of the auditor general's office and the executing ministry create opportunities for defalcation of millions of Taka, reflecting a gloomy picture of financial discipline in the country. In the process, many officials are deprived of their full pension and retirement benefits.

This is one of the reasons that bureaucracy is frequently blamed for not being pro-active or dynamic. The implementation of the ADP is slowed down in relation to its target due to the delay in the release of funds.

The Bangladesh Bank, the comptroller and auditor general, and the NBR, might suggest to the Ministry of Finance the possible

areas of reforms to ensure financial discipline. The Federation of the Chambers of Commerce, the Bangladesh Association of Bankers and the trading community as a whole might raise these issues in the Better Business Forum.

The unprecedented rise of inflation to 12 percent, and price hike of daily essential items appear to be alarming, demanding immediate attention of the government.

There might be a study in depth and a survey at random to identify the points related with financial reform that could help in overcoming the situation. Reforms in financial matters are felt to be urgent to make them consistent with the global changes to facilitate the achievement of millennium development goals, help Bangladesh to emerge as a middle-income country by 2020, and make poverty history in the near future.

Dhiraj Kumar Nath is a former Secretary to the Government.

High-value agriculture and agri-business in Bangladesh

While the private sector will continue to take the lead in developing high-value agriculture and related agro-business, the role of government remains essential. It is essential in fostering an enabling business environment for market-led growth through stable and undistorted economic incentives and in providing critical public goods and services.

XIAN ZHU and MONA SUR

THE demand for food in Bangladesh and around the world is changing rapidly. Driven by economic growth, rising incomes, and urbanisation, demand is shifting away from traditional staples toward high-value food commodities. High value agricultural commodities include fruits, vegetables, spices, fish, and livestock products, many of them processed before reaching the market.

In Bangladesh, additional demand for these commodities is projected to be worth about \$8 billion by 2020 (in 2005 prices).

This represents an enormous opportunity for food producers, processors, and sellers. Owing to the greater labour intensity characteristic of high value agricultural production, it also provides an opportunity to generate rural employment and raise rural incomes.

More than 80% of people living on less than \$2 a day in Bangladesh live in rural areas. This spatial distribution of poverty makes capitalising on the opportunities afforded by high value agricultural production an important strategic priority for those seeking to reduce poverty in the country.

Yet, for all of its promise, capitalising on these opportunities is fraught with challenges. High value agricultural products are generally far more perishable than traditional staples, and require more sophisticated post-harvest tech-

nologies and faster and more controlled transport.

Insufficient processing capacity, the lack of cold storage facilities or a functioning cold chain, and the persistence of transport bottlenecks are significant constraints to high value agriculture in Bangladesh.

The promise of generating higher income and increased export revenues by accessing international markets is matched by the challenges of meeting the exacting quality and safety standards that apply in those markets -- and by the prospect of having to compete with high quality imports from those markets.

Most importantly, even assuming that opportunities afforded by high value agriculture are successfully seized upon, there is no reason whatsoever to assume that the benefits of this success will extend naturally or automatically to those who need them most urgently -- Bangladesh's rural poor.

A new report published this month by the World Bank and the IFC-SEDE, entitled High-value Agriculture in Bangladesh, examines the opportunities and constraints that Bangladeshi agro-businesses face in shifting to this type of production. The report presents case studies of five high-value agricultural industries/sub-sectors: aquaculture, small-scale commercial poultry, fruits and vegetables, high-value aromatic rice, and dairy, and examines cross-cutting issues that emerge as priorities for promoting high-value

agriculture and related agro-business development in Bangladesh.

Bangladesh's strong comparative advantage in fish production, together with burgeoning domestic and foreign demand for fish products makes aquaculture an industry of tremendous potential growth. Yet, quality problems and low productivity could blunt the competitiveness of the shrimp export industry.

Improvements in pond management and the use of disease-free seed are needed to significantly improve the productivity in brackish water shrimp farms. Genetic improvement of fish stocks, combined with technical advice for farmers, are essential to sustain the freshwater aquaculture industry.

Quality advisory services could also transform Bangladesh's poultry industry, where rapid growth in the last 15 years has been concentrated among large, well-established commercial enterprises. Improving technical knowledge, efficiency, control over inputs, and access to credit among small-scale poultry producers could extend this growth, generating employment and helping reduce poverty in rural areas.

It will also enable them to better deal with the urgent practical realities surrounding highly pathogenic avian influenza (HPAI).

Consumption of fruits and vegetables is growing in Bangladesh. Yet, the limited availability of reliable planting material

and hybrid seed keeps productivity low. Post-harvest losses are high. Farmers need better market information to synchronise production with demand. High informal transportation tolls lead to excessive marketing costs.

The prospects of profitably adding value through processing are limited by unreliable power supplies, which also afflict rice milling -- including the high-value aromatic rice treated in the report.

The variable performance of Bangladesh's fruit and vegetable exports is unlikely to improve unless specific steps are taken to ensure long-term growth. It is important to note that the value added in Bangladesh's domestic market will likely dwarf any value addition obtainable through exports. Production for domestic consumers will also have a far greater impact on farmers' incomes than production for export.

Even with relatively slow growth in per capita milk consumption compared to other high value foods, domestic production still cannot meet existing demand and Bangladesh relies heavily on imports of powdered milk. But unless they can significantly improve productivity, dairy producers in Bangladesh are unlikely to compete with imports. Dairying appears to be profitable only in certain parts of the country, where feed is more readily obtained and where there is some milk-marketing infrastructure.

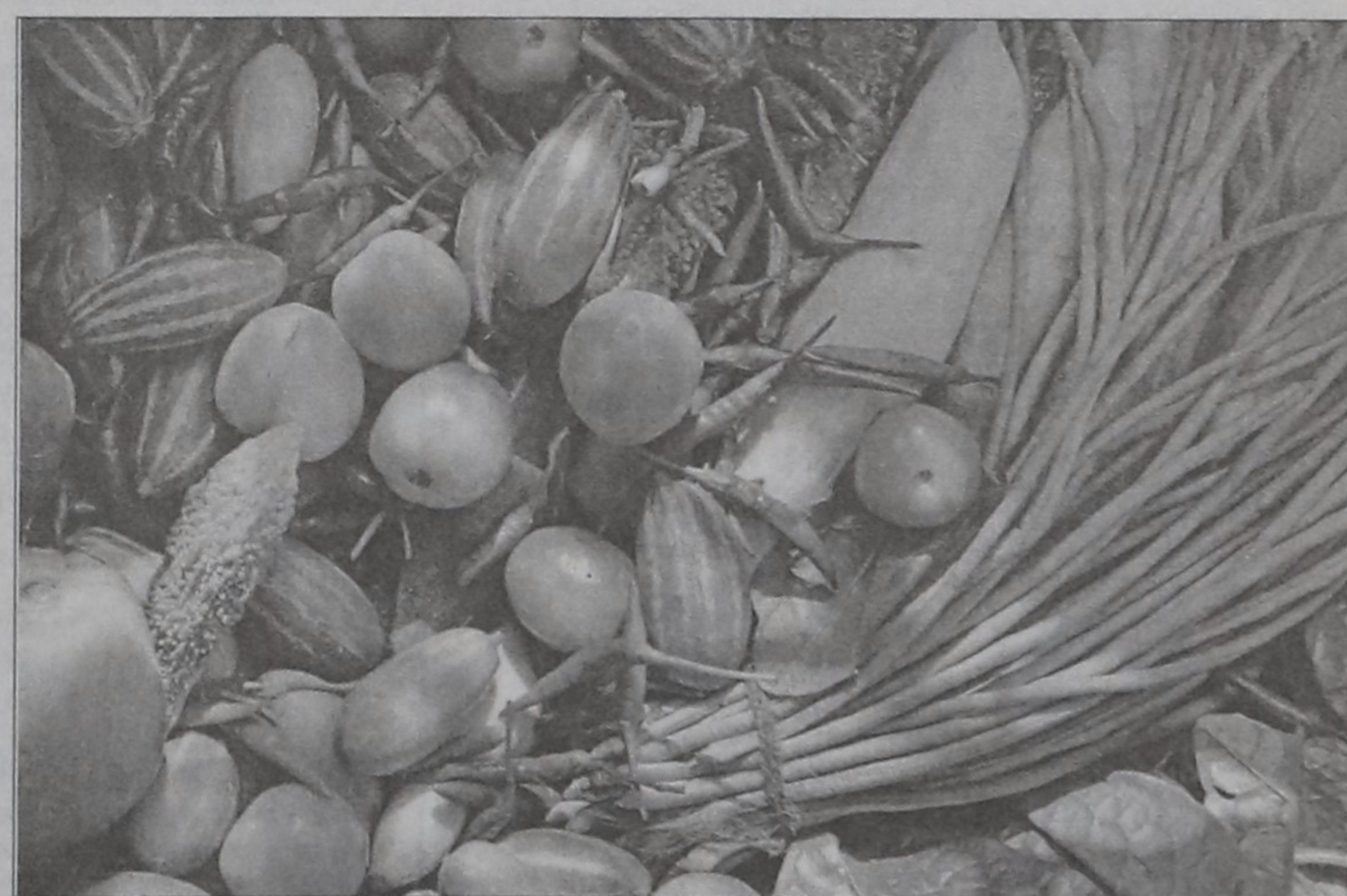
In these areas, farmers would benefit from better marketing arrangements as well as more effective animal health and breeding services and improved animal nutrition strategies. The formation of effective dairy producer associations could go far in improving milk marketing.

The case studies presented in the report suggest a number of recommendations and policy options for developing agro-business in the country. A number of these relate to improving the investment climate and providing a more enabling environment in which the costs and intricacies of doing business are significantly reduced. Some relate to removing policy distortions, regulations, and informal tolls and costs that make doing business unnecessarily cumbersome.

The case studies point unambiguously to the cardinal importance of food quality and safety. Consumers must be confident that the high-value products available to them in the market are not a public health risk if demand for these goods is to continue growing. Improving the awareness and understanding of food safety risks, and how to minimise them, is necessary for producers, consumers, and everyone along the supply chain that connects them. The capacity of institutions with regulatory responsibilities needs to be developed with new skills and technologies.

High-value agriculture requires technical skills and knowledge not generally associated with more traditional production, making human capital development and knowledge management important elements in the transition. There is a lack of reliable data on most high-value agricultural commodities that deprives policy makers, planners, and investors of critical information.

Systematically benchmarking and monitoring this information will enable planners to identify, document, and scale-up best practices in high value agriculture and related value chains. Access to timely and reliable market infor-



mation and to new technologies will go far in determining the competitiveness and profitability of agro-businesses. Applied research is needed to build an effective knowledge base that is available to investors who participate and compete in high-value agro-business.

The institutions that carry out this research and develop new technologies adapted to conditions in Bangladesh will require combinations of public and private financing and management.

Procurement arrangements like contract farming are expanding rapidly in Bangladesh, and provide for more orderly marketing with less price volatility and better sharing of risks and rewards. Contract enforceability remains a major challenge, with breaches common among both producers and purchasers. Building trust and

developing positive social capital is ultimately the best way to improve contract enforceability, but this of course takes time.

Strengthening producer organisations may help enforce contract terms on the farmers' side, and a variety of other institutions can provide alternative fora for dispute resolution. Associations formed around professions, industries, and commodities are likely to play a very prominent role in developing high-value agro-business in Bangladesh. Effective producer groups often enable small-scale farmers to forge mutually beneficial partnerships with private industry.

While the private sector will continue to take the lead in developing high-value agriculture and related agro-business, the role of government remains essential. It is

essential in fostering an enabling business environment for market-led growth through stable and undistorted economic incentives and in providing critical public goods and services.

The public sector's regulatory role is also very important in ensuring that the growth of high-value agriculture and agro-business does not deepen poverty, accentuate prevailing inequities, or harm the environment. Closer collaboration between the public sector, nongovernmental organisations, and the private sector would be extremely beneficial in addressing the combinations of opportunities, risks, and challenges that the shift to high-value agriculture carries for Bangladesh.

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