

The cost of food

Nothing is more important

THAT, according to World Bank estimates, the recent rise in food prices has pushed as many as four million people back into poverty, merely puts a number on a crisis that we have all been well aware of for quite some time now. However, diagnosing the problem is not the issue before us, the issue is what steps can be taken to address this serious and on-going crisis.

The current government and its successor after the December elections need to make the affordability of food priority number one. When the great gains we have made over the years in poverty alleviation stand to be wiped away and when we are out of sync with our commitments towards the Millennium Development Goals and poverty reduction targets, then it is crystal clear that the rising cost of food requires immediate attention.

The first area to address is productivity. With better and more timely supply of inputs such as fertilizer, diesel, and electricity as well as use of high-yielding varieties of seeds and more up-to-date crop management practices, our farmers have shown us that they are equal to the challenge of growing all the food we need.

However, more production is not the answer, as the current situation, when prices have not fallen after the recent bumper boro harvest, has told us. The next level which requires government attention is the distribution mechanism and the supply chain that determines how food reaches the consumer. More efficient, transparent, and smoother running distribution mechanisms would ensure that more of the money we pay at market ends up in the farmer's pocket.

Finally, the government must step up safety net practices such as the VGF programme and open market sales of subsidised rice for the working poor and the destitute. For those hardest hit by the price rise, there can be no alternative to government subsidies and we need to look closely as to how best to direct such subsidies.

Ultimately, however, we need to come to the realisation that the price of rice is not going down nor can we expect to enjoy low prices forever. This means that, more than anything else, we need to ensure that people's purchasing power is not eroded, rather it is enhanced, and the only way to do this is through a growing economy that creates good jobs for good wages.

Women and elections

Their participation is as important as men's

THE leaders of a women's organisation have pointed out that the participation of women in the recently held city corporation and municipal polls was minimal, which once again proves that women still cannot vie equally with their male counterparts for important elected positions, thanks to a host of socio-economic reasons.

The role that women play in the overall electoral process, however, is quite significant. They take part in election rallies and meetings and perform their duty as voters with great enthusiasm. But their involvement is restricted to the field level only. The point will be made clear by the fact that there was not a single woman candidate for the position of mayor, which only bolstered the regrettable truth that gender disparity is still an area of major concern. The number of women seeking election as councillor was also very low.

Clearly, women are poorly placed to make any progress towards political empowerment. This is the picture that has emerged from the city and municipal polls overwhelmingly dominated by male candidates. But another point to be noted is that the number of women deployed as presiding or polling officers was also quite negligible. This shows that women are not getting the opportunity to conduct elections as government officials.

The women leaders have demanded that the political parties ensure 33 percent representation of women in the parties as per the declaration of the EC. This will obviously allow more women to get into politics -- the crucially important field of empowerment. Then again, the parties will have to come out of their traditional mode of thinking and nominate a substantially higher number of women candidates for JS and all local government elections.

The talk of women's empowerment will ever remain a meaningless expression of concern for the women lagging behind unless they are allowed to occupy decision making positions in important organisations. The city and municipal polls have given us a very poor score insofar as the issue of removing gender disparity is concerned. Creating space for deserving women in both public and private agencies is necessary to empower not only women but also society as a whole, which is now deprived of the services that women could render from various positions.

Weird proposition



Brig Gen
SHAHEDUL ANAM KHAN
ndc, psc (Retd)

VERY few newspapers carried the detailed report of a seminar on "Democratic Transformation in Bangladesh: Opportunities and Challenges" held recently in Dhaka. And those that did didn't dwell in detail on the very quiddance of the message that the organisers of the seminar wanted to convey.

In fact, but for one Bangla daily perhaps, those who did not have the good fortune to be present at the seminar might not have come to know about the very unique proposition made in the keynote paper -- which tried to sell the idea of a very new form of governance, one that would be shared by the military and the political parties.

These views are deserving of response since they are in conflict with the normative role of the armed forces in Bangladesh as a part of the executive organ of the state. However, not having the benefit of the original paper, my

comments stem from whatever reports that have appeared in the media.

It is a unique postulation no doubt, and the very peculiarity of the substance of the suggestion and the timing, make it stand out like a very sore thumb. We have instances of great minds, or at least thinking minds, creating furore by their comments on matters of the state -- not all with the honest intention of making the quality of life of the people better, but also for the purpose of strengthening the coercive character of the ruler. Those opinions did not normally go with the grain of popular thoughts or perception of common issues.

However, the theory of power sharing (or the armed forces being in supportive role) as articulated in the said keynote paper, coming as it does when the country is waiting very eagerly for an election that would see the restoration of the normal democratic process in the country, cannot but convey the impression that there is a school of thought -- self-motivated or otherwise, that have other ideas of how

democracy and politics should function in the country.

These views are seen with concern all the more because at a time when the armed forces are distancing themselves from the idea of the running of the state, even in countries with constitutionally mandated role in politics, some are trying to propagate ideas in our country that would embroil the military in matters that they have neither any training, nor are expected, to handle.

That the suggestion was shot down by the politicians present at the seminar, as it should have been, means that they were not about to fall for the new concept, which if given the benefit of an iota of our consideration or time, may come to dictate the future political order in Bangladesh.

Let us look at the proposal. Since the main theme of the seminar was on the ways and means of overcoming the current crisis of democracy in Bangladesh the suggestion contained in the keynote paper envisaged a role of the military in running the affairs of the state for ensuring

national security and stability of the country. The paper envisioned an "in support" role of the military for the sake of upholding democracy. And that could be done, according to the author, through setting up of a National Security Council.

Needless to mention, the suggestion is not only counterproductive, it is also retrogressive to say the least. What it has helped do is reinforce misperceptions on two issues, which was entirely unnecessary.

First, it has strengthened the arguments of those, and they are not few in number, that the military want a role for it in the running of the state and indeed in the politics of the country, and would like to have that legitimised through some "instrument."

Secondly, by suggesting that the proposed role could be effected through the National Security Council the keynote speaker has managed to completely distort the idea of the NSC. In fact, the apprehensions of those that see the NSC as a "ploy" to institutionalise the armed force role and give it a say directly in the running of state

affairs would feel happy to see their position vindicated. The NSC, a perfectly good arrangement for addressing the security issues that face the country or might do in the future, will now come to be seen as "the instrument" for legitimising the armed forces' political role.

The role of the military in Bangladesh is clearly defined. One does not really comprehend the idea of a "supportive role" when its mandated role is to ensure national defence. The military, an institution by itself, is to operate under the orders of the political authority, their advice sought on matters of national defence, which falls within the ambit of national security. And national security has come to be more widely inclusive in character. How does one accord a special role to one of the constituent elements of the executive branch for the sake of upholding democracy?

Modern concept of statecraft does not countenance the role of the armed forces in a country's governance. According to such a role would certainly divert it from its main responsibility, which is to prepare itself for the physical defence of the country, not to speak of the deleterious consequences of such an arrangement on politics.

One is not sure either that there are many takers of the idea within the military itself. Certainly my impression is that the armed forces would just as soon want the hand-over of power to the politicians, and

given the many times that senior military leaders have expressed the opinion that they do not nurture the idea of the armed forces involvement in politics, now or in the future, it would seem that the views of the keynote speaker is not representative of the thoughts of the vast segment of those that he would like to confer a new role upon.

It must be stressed also that the NSC is not an apparatus for dictating the affairs of the state. And the suggestion in the keynote paper, that gives one the impression that it would be such a mechanism were we to have one, does not conform to the way NSC functions in other democratic countries.

Needless to say, politicians have not come up to our expectations. And, no doubt, we must have a reformed polity if democracy has to deliver and we need to have election to strengthen democracy, and that we must have elections to get back on track. One wonders whether the envisaged role of the armed forces fits into this scheme of things.

It must be clarified that democracy per se is not in any crisis. On the contrary it may actually be under threat if the protagonists of the proposal have their way, and those that may be taken up with the idea of the new role of the armed forces should be aware of the fallacy of, what many see as, an ill-considered idea.

The author is Editor, Defence & Strategic Affairs, The Daily Star.

New energy frontiers

For instance, the Pallitathya, a "Rural Information" program in Bangladesh, provides communities with internet-based information on agriculture, health, education, law and human rights, appropriate technologies, disaster management and government services.

ADRIANA VALENCIA and GEORG CASPARY

ONE cannot open a newspaper without reading the word "globalisation," yet vast areas of the world are left out of a globalised network for a simple reason: lack of electricity.

Denied power, rural communities continue to remain isolated, mired in poverty, deprived of the potential for economic development and modern social services.

The quest for electricity by rural communities comes at a time as energy prices climb, fossil fuels are in decline and emerging carbon markets promise income from climate-neutral forms of energy generation. As a result, rural locations could be the pioneers for some alternative forms of energy.

More than 40 percent of the rural population in developing nations lack access to electricity, and the problem is especially stark in Africa, with more than 90 percent of its rural population lacking access. That means labourers are limited to toiling daylight hours, students cannot read into the night, and any family activities take place by fire or flashlight.

Lack of electricity also means that inhabitants of rural areas in developing countries cannot share in many benefits of globalisation -- including the internet and telecommunications, which increase the flow of information, allowing producers to market their wares, shoppers to compare prices or quality, and ordinary people to discover

new ideas and opportunities.

Yet, in a number of countries, electricity availability has enabled so-called infoshops to establish a technology-based information resource on matters of relevance for rural dwellers, from cost and availability of farming inputs such as seeds and fertilisers to directories of local veterinarians and animal-husbandry programs.

For instance, the Pallitathya, a "Rural Information" program in Bangladesh, provides communities with internet-based information on agriculture, health, education, law and human rights, appropriate technologies, disaster management and government services.

"Infomedaries," or interpreters of digital content, and mobile-phone helplines use the comparably high mobile-phone penetration in rural Bangladesh, pioneered by Grameen Phone, and make information accessible even for the illiterate.

While there's no dispute over the value of bringing electricity to the villages, experts are divided over how to deliver it. Should the national power grid be expanded to the rural areas or should one opt for decentralised power generation?

Grid expansion is the most economical option in areas close to the country's main electricity grid and in densely populated areas; it's also the most tried form of power delivery, undertaken in almost all countries.

Decentralised generation capacity, on the other hand, has proven more economical in

remote, dispersed communities, where grid expansion would lead to high cost of access per person connected.

Ambitious rural electrification programs have been carried out in Brazil and China. More recently, initiatives in Uganda, Tanzania, Rwanda, Kenya and Ghana are well underway.

In Brazil alone, the \$8 billion Luz Para Todos, or Light for All program, has reached more than 8 million new beneficiaries using grid extension, localised minigrids or off-grid electrification, with a goal of reaching 10 million users. The focus has been on poorer states with low levels of connectivity, notably in the country's north.

Aside from distributing power, the method of generating electricity has become a debated issue. Off-grid access has traditionally been diesel-driven. Recently, however, that's changed because of increasing concerns about harmful emissions at the local and even global levels, resulting in high costs over the long-term.

As a result, renewable sources -- solar, wind and small-scale hydro -- are increasingly popular for small-scale off-grid electrification. Small hydroelectric projects are widely used in China, wind power in numerous Mexican efforts and solar in Morocco.

Reaping the gains of globalisation via electricity access requires additional investment in "productive uses" of electricity, defined as activities that put elec-

tricity to work for people's welfare -- either through income generation or by facilitating the provision of health and education services.

Productive-use programs can help communities reap the gains of electricity access in three main ways:

- **Enabling development:** When communities receive electricity, this does not immediately or directly translate into development. It depends on how power is used. The processing of agricultural goods or crafts for sale, using power to offer educational material, or simply providing illumination for evening school are examples of developmental use of power. Of course, availability of power is essential to encourage more community participation through the use of e-government applications.
- **Promoting appreciation for and local ownership of electricity services and technology:** Once individuals understand that electricity services lead to community improvements -- providing a source of income, making routines easier -- then it's likely that individuals will work to protect electricity equipment from damage or theft. A sense of ownership of the technology is an essential component for maximising a system's lifetime.
- **Giving communities a means to pay for energy services:** Productive-use activities may allow communities to generate income from their activities so that they can pay for electricity services -- thus moving rural electricity access towards cost recovery. For communities of limited financial means, targeted and monitored subsidies may also be required so that service is provided regardless of

the community's ability to pay. Experience to date has resulted in a number of lessons for project planners when designing electricity systems with productive uses in mind. Electrification schemes and productive-use efforts are more likely to succeed if communities have an adequate understanding rather than act as passive recipients.

Project managers need to understand that successful introduction of productive-use programs is likely to improve sustainability of electrification programs. Likewise, it's crucial that any programs be accompanied by community training on operation and maintenance as well as follow-up with providers.

When selecting productive-use programs, the decision process should review funds available and community capacities, and thus prioritise activities. This involves calculating the gains from various productive uses.

Ultimately, of course, communities themselves should choose the most effective option to improve their quality of life.

Local institutions are normally knowledgeable about the resources and needs of the nearby communities. Similarly, local NGOs generally have a solid network in the target community and can thus aid in dispelling doubt.

Both foreign donors and relevant domestic government agencies must coordinate their efforts to tie in productive uses with community needs and abilities, and with existing efforts in agriculture, health or education.

Usually, the choice of technology for rural electrification -- grid connection versus diesel, micro-hydro, wind or solar -- is based on least-cost considerations. This may change when productive uses emerge.

For instance, if an essential

service for one community is investment in critical electricity health equipment, then reliability rather than average cost of supply becomes a critical factor in choosing between technologies.

Similarly, if a priority is small-scale tourism, then meeting peak demand during holiday seasons becomes crucial.

Private investment remains an option to enable some forms of productive uses. However, the benefit of private capital must be weighed on a case-by-case basis against the potential pitfalls, including monopolies and higher long-run costs.

Examples of successful rural electrification with productive-uses applications are encouraging. For instance, the Mexican mountain village of La Vainilla has used solar panel-based electrification to give its inhabitants light for work and study, combining access with investment in a small water-purification system that generates income through sales to a nearby hotel.

If carried out sensibly, then electrification of poor, rural communities will ultimately mean more equitable distribution of the gains from globalisation -- and indeed enable inhabitants to participate in globalisation through more effective marketing of products.

The communities can also shape globalisation by making their voices heard via modern communications applications in national or international decision-making processes.

Adriana Valencia and Georg Caspary have worked on the planning and implementation of rural electrification projects in numerous countries.

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BANGLADESH IN THE 21ST CENTURY

In sickness and in health

This piece is the third in a series of summaries of papers presented at the "Bangladesh in the 21st Century" conference held at Harvard University (June 13-14) and organised by Bangladesh Development Initiative (US), Democracy and Development in Bangladesh Forum (US), and The Ash Institute of Democratic Governance & Innovation at the Kennedy School of Government, Harvard University. The views expressed in the articles are expressly those of the authors.

IQBAL F. HUSSAIN, AMINUR RAHMAN and MURAD HUSSAIN

OVER the last two decades, the pharmaceutical industry has made considerable progress with modern manufacturing and improved infrastructure. The pharmaceutical market in Bangladesh is valued at over \$650m, with steady growth of over 10% annually in recent years.

There are 234 registered pharmaceutical companies in Bangladesh, with 164 actively involved in the manufacture or marketing of pharmaceutical products. These companies produce about 8,000 different brands of medicines in over 10,500 dose

strengths and formulations. This is sufficient to meet the requirements for 97% of the Bangladesh population.

Although imports, mostly of raw materials, still exceed the export of finished products, Bangladesh has made progress in developing the pharmaceutical export market. Between 2003 and 2006, exports increased to about 67 countries and quadrupled from Tk. 630 million to Tk. 2,660 million.

Despite being a successful industry, there are both internal and external challenges being faced by Bangladeshi pharmaceutical industries. Although pharmaceutical manufacturers have pri-

mary responsibility for drug quality control, the government's Drug Testing Laboratories (DTL) and the Directorate of Drug Administration (DDA) have an essential monitoring and supervisory role.

The DDA is also responsible for the registration of drugs as well as for inspection of premises, and for licensing medicines for the Bangladesh market. However, the limited resources of both the DTL and DDA make it difficult to cope with the necessary workload, which is why the quality of locally produced medicines cannot be uniformly ensured.

External challenges include international political issues, such

as the World Trade Organisation (WTO) Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS). Prior to this, many developing countries considered that patent protection limited access to cheap medicinal products to the very poorest in society.

Despite the pressure from developed countries to protect the research and development costs incurred by their pharmaceutical industries, the TRIPS agreement allowed certain flexibilities to accommodate the public health needs in poorer countries.

The treaty defined all nations as "developed," "developing" and "least developed countries (LDCs)."

Bangladesh, together with 48 other countries, including Afghanistan, Bhutan, Cambodia, Ethiopia, Liberia, Myanmar, Nepal, Rwanda, Senegal, Zambia and others, falls in the LDC classification.

The LDC status legally permits Bangladesh to make and sell patented medicinal products locally, to other LDC countries, and to countries where the innovator has

not sought patent protection or the patent has been revoked or withdrawn.

Amongst the LDC countries, Bangladesh has the most established and advanced pharmaceutical manufacturing facilities, but has hitherto been unable to take full advantage of the flexibilities conferred by TRIPS.

An evaluation of the opportunities in this sector made the following recommendations that could be implemented in Bangladesh to facilitate safe, effective and quality medicines locally and for export.

API manufacture

Bangladesh government had agreed to provide land for siting factories manufacturing raw materials (API). It is reported that at least 20 investors were ready to invest, and in the last few years more than 10 companies, each with Tk. 400 million, have been ready to invest, and yet there appears to be a lack of government initiative to lead this essential activity. API is essential for sustainability and growth of the pharmaceutical industry in Bangladesh, and so it is important

to prioritise this as urgent.

Set up facilities for BABE studies

The government has a responsibility to ensure that incentives and tax breaks are provided to set up high quality laboratories, to bring expertise from overseas, and rapidly set up bioavailability and bioequivalence testing (BABE). Expertise in BABE studies will also be essential for generic manufacturing of medicines for export.

TRIPS agreement

The TRIPS agreement permits LDCs to make generic copies of patented drugs for sale in approved markets, and this opportunity is only available until 2016. The government of Bangladesh has an opportunity to further explore how to support the industry to take full advantage of the flexibility afforded by TRIPS.

Collaboration or joint ventures with foreign partners

Bangladesh is unusual in that local companies dominate the industry. This situation arose from the 1982

Drug Ordinance, but today it is essential that collaboration be established between the private and public sectors, and between the industry and academic and research institutions. Collaboration and joint ventures with foreign partners, including India and China, will be essential for future growth of the pharmaceutical sector.

Contract (toll) manufacturing

The drug policy of 2004 offer opportunities for foreign pharmaceutical manufacturers to toll manufacture under license in Bangladesh, form joint ventures, and manufacture branded products in Bangladesh for export.

These opportunities must be realised to make good use of the quality pharmaceutical manufacturing base that exists in Bangladesh.

Development cost of new medications is rising globally and, therefore, many global pharmaceutical companies are looking for opportunities for cheaper development and manufacturing costs.

Bangladesh has a flourishing pharmaceutical industry with an opportunity to improve medications for local use, and compliance with international regulations will benefit the growing export industry. Bangladeshi pharmaceutical manufacturers have an opportunity to excel in high quality generic drug manufacture for export. This requires good facilities for BABE studies and a source of API. Both are opportunities for Bangladesh.

The authors appreciate the complexity of the task required to develop the Bangladeshi pharmaceutical sector to compete in the global marketplace.

While it would be misleading for us to suggest that there is a single or simple intervention it is clear that a cooperative and collaborative public/private partnership is most likely to succeed in introducing meaningful and sustainable change to support and widen the already successful Bangladeshi pharmaceutical sector.

This article is an extract from a paper presented at the Bangladesh Initiative Meeting at Harvard University on June 13, 2008.

