

Poverty alleviation

Meet the millennium goal

DEVELOPMENT planners should take note of UN Assistant Secretary General Hafiz Pasha's observations on the country's poverty alleviation scenario. Pasha has pointed out that 45 to 50 million Bangladeshis are still steeped in grinding poverty.

So the country has to go a long way before its poverty alleviation programmes can achieve their ultimate target. However, much will depend on how our development partners respond to our needs and whether the country itself can create the conditions for the maximum utilisation of the available resources and the growth of the economy.

The performance of the RMG sector under the quota regime has been appreciated by the development partners, but the real challenge lies ahead when there will be no quota for the sector. Pasha has said that the UNDP will form a task force to help Bangladesh overcome the difficulties that it will face with the end of the quota regime.

The idea of helping us with a strategy to overcome a post-MFA fallout is highly welcome. Growth achieved by the developing countries through making the best out of trade opportunities has been six times more than the growth achieved through foreign assistance. So the emphasis should be on enhancing the poor nations' trade access to the global market.

Of course ODA and FDI flows incrementally are needed by the developing economies to shore up their poverty reduction programmes. But then proper utilisation of foreign assistance and investment is key to steadying the inflow of resources. Pasha has suggested "improved governance" can check leakage of resources. It is not hard to guess what he has referred to. However, it is imperative that alongside containing corruption and improving the law and order situation, better infrastructural facilities are put in place for the investment to pick up.

The country must avoid falling behind the "millennium development goal" set by the UN to halve poverty by 2015. To this end, the government should monitor and re-adjust its priorities, policy directions and expenditure pattern from time to time, so that poverty alleviation programmes are not practically sidetracked.

Mongla port in a big mess

Inefficiency, corruption take a heavy toll

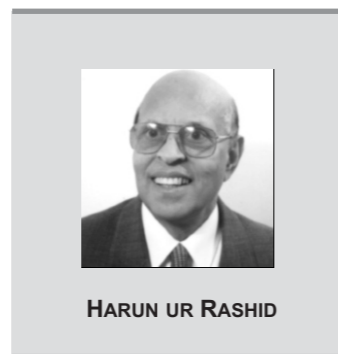
THE virtually dysfunctional Mongla port, the second entrepot of the country, comes as another wake-up call to set right our poor port management record. According to reports, cargo handling came to a complete halt last week for the third time since January. The week-long stoppage has been termed 'unprecedented' by officials.

So, who is to blame for this? Officials are blaming the stevedores and dock workers for making the port inactive. Frequent labour unrest, work stoppages and lack of security are cited as reasons for the port earning a bad reputation among shippers. On the other hand, the port management is blamed for having not paid outstanding bills of nearly Tk 4 crore to dock workers. Then we have the importers accusing both the stevedores and port officials of loss of foodgrains through pilferage from the ships as well as from the storage godowns. All these point to only one single reason for the closure of activities at the port -- total inefficiency on the part of the management. Can we really blame the foreign ships for their reluctance to use the port in such circumstances?

Problems at the port were not new to the importers and ship owners. But abandoning it like this must have been a big jolt to the port authority. At one point, Mongla port was being considered for use as a transit point to Nepal. That would seem like a distant dream if the management of the port is not markedly improved. We must draw the right lessons from the Chittagong port, which at one time the foreign shipping lines had threatened to boycott for labour unrest and inefficient cargo handling. But it didn't quite come to the point of abandoning it as it seems to have happened with Mongla port.

We would urge the authorities to look into the matter urgently and restore confidence of ship-owners in the second port of the country. Otherwise we would lose the badly needed foreign currency Mongla port could have earned for the country if it were to operate optimally. Let it be developed to its full potential with an eye to sub-regional trade cooperation.

Demography and communalism in India



HARUN UR RASHID

IN recent years a section people in India appear to abandon secularism and veered towards Hindu fundamentalism. This trend seems to have been boosted under the BJP-led government since 1998. BJP's affiliates -- RSS (Rashtriya Sawayamsevak Sangh) and VHP (Vishwa Hindu Parishad) -- propagated the doctrine of *Hindutva*, meaning one religion, one people and one country. The *Hindutva* forces together with other communal groups, such as the Shiv Sena, Jan Sangh and Hindu Mahasabha are the forefront for implementation of a *Hindutva* agenda. The Shiv Sena's leader Bal Thackeray has called for India's Muslims to "nationalise" themselves which is interpreted as embracing a Hindu ethos, if not Hinduism.

Hindu fundamentalism manifested in violent form in December 1992 when the BJP campaign against the Babri mosque was realised. Ending a year of widespread violence, specially in Kashmir and the Punjab where there were many deaths, a Hindu crowd demolished the 464-year old mosque at Ayodhya on 6th December in 1992 and wanted to build a temple on the site it claimed was the birthplace of the Hindu god, Lord Rama.

On 24 February the followers of VHP marched to India's parliament after having attended a three-day meeting in Delhi on the future of the disputed site at Ayodhya. A senior VHP leader said to the media that the governing BJP party asked the court to lift the ban on all religious

activity at the site. Praveen Tagodia, the VHP's general secretary, reportedly called for "Glorious Hindu Rule".

Prime Minister Vajpayee seems to play hot and cold with the issue of building a temple on the site that is presently under litigation before the India's Supreme Court. The government had pushed for an early hearing on whether to lift the ban because of pressure from Hindu hardline groups that form its support base. The Supreme Court deferred a ruling until early March. Last year

are heading for minority status despite current estimates placing the Hindu population at 830 million and the Muslim population at 130 million. The writer reveals an intriguing perception of Hindu extremists. When the British India was partitioned in 1947, the combined population was 400 million (300 million Hindus and 100 million Muslims). India's first census in 1951 showed 304 million Hindus, 35 million Muslims and 8.3 million Christians. In May 2000, India's population reached 1000 million (1 billion) and

aged feelings of relative deprivation among different communities. Thus census in India attained power in its own right by accentuating identity formation and encouraging mobilisation to see recognition and political representation.

DeVotta states that while the British were genuinely surprised to learn that India's Muslims comprised 22.8 per cent of the country's inhabitants in 1871, the steadily rising Muslim population "caused immense concern among Hindu academics and politicians who

much higher.....

At the rate at which the majority of Hindus have been declining in India from 1881 to 1961, it will surely show further decline in the future.....

The 10.71 per cent Muslims in 1961 in union with other groups will numerically overtake the Hindus in 2051 so decisively that the Hindus will be at the mercy of the non-Hindu religious groups."

Such belief is being held by many Hindu extremists in India as was evidenced during the March/April



Many secular Indians believe that at a time when other Asian nations were busy building their future, India is embroiled in communal hatred and disputes over mosques and temples. There is a perception among them that a more strident headline element in BJP remains desperate to relegate a moderate BJP leadership to the sidelines. However there is a bright aspect in the fact that the majority of Hindus in India remain as they have always been: secular, tolerant and peaceful.

he reportedly said that the construction of Ram temple remained an unfinished business of his government. Former Prime Minister V.P. Singh reportedly demanded that the Prime Minister should make amends to his statement.

The senior editor Ram Karpal Singh of *Navbharat Times* wrote: "Ten years after the destruction of the Babri mosque, we can ponder the gains and losses as much as we want. But to my mind we gained nothing but lost a lot....everyone is a loser in this journey from Ayodhya to Gujarat".

In this connection, a related question arises as to what extent the population growth of Muslims in India has given rise to Hindu fundamentalism and in turn communalism.

Neil DeVotta in the *Journal of International Affairs* (Fall 2002: Columbia University: US) attempted to analyse the relationship between population growth and communalism in India. He states that radical Hindus claim that they

demographers claim that at the present growth rate, the country's population will reach 1,500 million (1.5 billion) by 2050.

The growth of population not only creates economic and social problems but also has impact on political parties. Population growth on religious lines may stimulate communalism by religious extremists. The elections in India witnessed the battle for votes on the basis of religion, caste and creed and the real issues of food, security and unemployment were ignored. The internal contradictions of the BJP appear to be obvious when caste becomes an issue in Indian politics, with the BJP's appeal limited largely to the upper castes.

The largely started census in India in 1871 and religion of population was indicated in the census. The census used to provide population growth, population distribution, education and literacy along religious lines. Although census used to provide comparative gains of each religious community it encour-

aged that the Hindus were destined to be a minority community in their own land". Some Hindu scholars and politicians started to portray their community as a "dying race" and at the turn of 20th century, according to the writer DeVotta, it was common "for various Hindu leaders to speculate that the Hindus were bound to disappear in 100, 200, or 400 years."

Partition in 1947 saw nearly 15 million people dislocated and nearly 7.2 million Muslims left India. India's Muslim population ratio fell from 25 per cent to 9.61 per cent. This however did not allay Hindu fears because the Muslim population continued to grow and Hindu extremists kept questioning the loyalty of Muslims to the Indian State. Such fear can be seen from a Hindu writer Sudhir Luxman Hendre who wrote in the 60s:

"As compared to the price the Hindus have already paid in terms of the partition of the country in 1947, the price the Hindus will be required to pay in 2000 and 2050 will be

2002 anti-Muslim riots in Gujarat when a leader of a Hindu mob reportedly justified the riot by saying "They live here in India and pray for Pakistan. They only deserve one treatment. They should pack their bags and board the train to Pakistan. There should not be any Muslims here."

DeVotta points out that the rising separatist violence in the disputed region of Jammu and Kashmir, "which in the last decade has seen Pakistan-sponsored *jihadi* forces attack Indian troops and Kashmir Hindus, also contributes to notions that Hindus will eventually become a minority community."

While India's Muslim population has grown over the years, the reason for that growth is not clear. While the 1991 census reached 11.1 per cent, the present estimate is that Muslims will account for 13.55 per cent of India's population in 2006. Some demographers believe that there exists a strong correlation between higher literacy rates and low fertility and increased

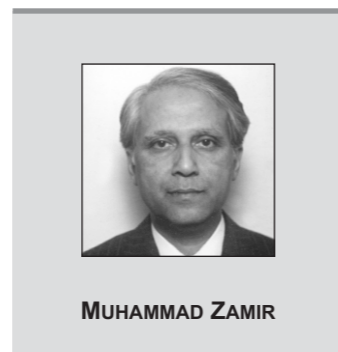
prosperity and low fertility. As Indian Muslims tend to be less well-educated and poorer than their Hindu counterparts, it is not surprising that their fertility rate tends to be higher. Within India, four southern states, Tamil Nadu, Kerala, Andhra Pradesh and Karnataka, enjoy higher literacy rates and lower fertility rates than their northern Hindi-belt areas. DeVotta points out that Muslim fertility rates in south India are much lower than Hindu fertility rates in north India.

None of the statistics above mentioned has been taken to heart by Hindu extremists who have used the Muslim population figures to stir communalism. In doing so they have distorted the population disparity. The numbers game, according to DeVotta, has "indulged in with all the invidious rhetoric consequently threatens the secular state that Jawaharlal Nehru and other Indian leaders strove so hard to establish". He concludes by stating that what is clear is that Hindu radicals, driven by their *Hindutva* agenda and "a deep-seated antipathy for anything Muslim and Islamic, have displayed a willingness to exploit whatever they can to undermine secularism and stoke communalism".

Many secular Indians believe that at a time when other Asian nations were busy building their future, India is embroiled in communal hatred and disputes over mosques and temples. There is a perception among them that a more strident headline element in BJP remains desperate to relegate a moderate BJP leadership to the sidelines. Radicals such as Narendra Modi of Gujarat and the leaders of BJP's Hindu affiliate groups wish to take the leadership of BJP to pursue their *Hindutva* ideology. However there is a bright aspect in the fact that the majority of Hindus in India remain as they have always been: secular, tolerant and peaceful.

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International financing and development



MUHAMMAD ZAMIR

IN the recent past, the International Monetary Fund (IMF) has been the subject of special attention whenever any discussion has taken place on improving the governance of the international monetary and financial system. This has been so because significant decision making power related to the international monetary and financial system has been vested in the IMF. Over the last fifty years, the institution has grown in importance given its substantial increase in membership which has transformed it not only into a quasi-universal institution but also enlarged the scope of its mandate.

Recently however, there have been calls from emerging market economies, NGOs and national parliaments for more legitimacy, more accountability, and better governance for the Fund.

Progress has been made to address these concerns, including through increased transparency of the IMF decision process; through the creation, outside the IMF, of groups such as the Financial Stability Forum and the G 20; and through the transformation of the Fund's Interim Committee into a more permanent International Monetary and Financial Committee. However, proposals with a greater institutional content, such as transforming the International Monetary and Financial Committee into a Council with decision power and rebalancing the decision power within the Fund have made little progress or are still under review.

The subsequent comments attempts to identify the interactive process that exists within the inter-

national monetary and financial system and its co-relation with financing for development.

Globalisation is a process that has been ongoing, albeit not in a linear fashion, over a long period. Post-war globalisation in particular has many facets. In the economic and financial sphere, it has been characterised by a strong expansion of trade in goods and services and, more recently, by a strong expansion in capital flows.

Several factors have been underlying this growth process including technological progress, dramatic

deeper economic integration. Recent studies from the World Bank have confirmed that developing countries that have opened up their economies over the last twenty years have had a growth performance superior to those that have not pursued international economic integration.

However, despite the overall increase in income and welfare, the gap between the richer and poorer countries and between the richer and poorer segments of the population within countries has probably widened. In this context, it needs to

the economic situation in these countries is one of the major challenges for the global economy.

In addition, one must not forget that globalisation is also associated with other challenges such as communicable diseases, climate change, loss of bio-diversity and lack of international security. Addressing these issues--that is, providing the world with global public goods can be seen as part of a strategy aiming at maximising the benefits of globalisation and minimising its negative effects. We must remember that these global public

provide international economic and financial governance. While doing so, it is also apparent that new emerging challenges have exposed a number of inadequacies in the system, and reform proposals concerning various aspects of this governance system are currently being discussed.

It is true that for the past fifty years, overall, the current international and monetary system has functioned reasonably well. It has complemented the strong growth in trade of goods and services by channelling savings into productive

tions and unemployment. In addition, the changed international financial environment has been seen as allowing abuses in terms of money laundering, financing of illegal activities and tax evasion.

One way to bring about a degree of reform would be to increase and improve the flow of information to market participants. At the crisis prevention level, there could also be increased transparency in policy design and implementation, developing and deepening of financial markets and strengthening of domestic financial systems to make countries less vulnerable to crises.

Other modalities of crisis prevention and management could include the development of early warning systems, the introduction of collective warning clauses into new international bond issues within emerging market economies, the creation of a Club of Creditors, and the development and use by emerging market economies of financing instruments that could be used as a first line of defence in case of crisis. There is also need to ensure an orderly and well-sequenced capital account liberalisation process.

I also believe that establishing an international debt insurance agency, creating an international prudential supervisory agency or introducing a currency transactions tax might be viable propositions.

One should not conclude discussion on this subject without also referring to initiatives to enhance the stability of the international monetary system through intensified macro-economic co-ordination within the context of regional groupings and among the three major currency areas (G3). This is a way of strengthening economic integration, growth and stability.

These steps will bring forth balance within the system and ensure that the better side of globalisation does not lose out because of irregular restructuring by one or a group of countries. It will help establish a stronger concept pertaining to financing for development.

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reductions in transportation costs, an unprecedented increase in information processing capabilities, public policy measures, such as lowering of quantitative and tariff restrictions on trade and liberalisation of capital movements.

The process of globalisation over the past fifty years has been accompanied by a six-fold rise in world output while the global population has increased about two and half times. This has translated into major improvements in the income of a substantial part of the world's citizens and into increased resources with which policy challenges can be tackled. The past fifty years have also witnessed major improvements in other indicators of human welfare and quality of life in a large number of countries, including significant improvements in life expectancies at birth.

It would appear that although correlation does not imply causality, there is little doubt that the substantial increases in global per capita income that have been achieved would not have been possible without continued progress towards

be recognised that while globalisation is likely to benefit overall those countries that are able to participate in it, it does create problems for certain categories of the population. An example of this is the reduced relative wages and employment opportunities that have affected low-skilled workers in industrialised countries. It also needs to be noted here that public policies have an important role to play in tackling the difficulties faced by those that may lose from globalisation, while ensuring that those countries that integrate into the global economy are able to reap the overall benefits.

There also remains a group of very poor countries that are less integrated into the global economy and that continue to be largely excluded from the benefits of the globalisation process. South Asia and Sub-Saharan Africa lag far behind regions such as East Asia and the Pacific. Their share of world trade has fallen, their terms of trade have deteriorated and they continue to be unable to attract foreign capital. Improving living standards and

goods benefit developing and industrial countries alike. We therefore need to explore this as an additional task associated with poverty reduction and its financing.

The increased internationalisation of economic activity that globalisation has brought, also raises issues about the appropriate level of economic-policy making and the capacity of national governments to set rules and standards. In this context, we need to carefully analyse the role of the state in economic activity. This is important because this has increased significantly in many developed countries. One is tempted in this regard to comment that this has been partly due to the post-war development of social safety nets and welfare systems that are seen to play and important risk-reducing role in societies that are exposed to international competition.

While considering this topic, one has to remember that since the end of the Second World War, major progress has been made in establishing a set of international and regional institutions and fora that

investment world wide through open and well-functioning financial markets and by providing efficient clearing and settlement systems. From that point of view, it has contributed to global economic growth and has allowed countries embracing sound policies to raise the living standards of their population. The system has also in its own way been able to cope with periods of disequilibria in balance-of-payments and has ensured monetary stability in times of financial stress.

Nevertheless, recent experiences have brought to the fore a number of real or potential systemic weaknesses, posing new challenges to policy makers. Although the integration of financial markets and the institutional and regulatory frameworks in which they operate have spurred economic growth, the international monetary and financial system has continued to be crisis-prone. This in turn has mainly affected emerging economies and, for most of them, have had important consequences in terms of output loss, welfare, social condi-

and does not think much of sending journalists to jail, to protect?"

Our earlier comment urging the government to rethink the indemnity issue may have had some impact on the amendment that was later introduced. Today we write in the hope that the government will realise the folly of what it has done and scrape this ignominious Act in not too distant a future. If our thinking proves to be too optimistic then let it not be said that no conscientious voice was raised when the nation was subjected to one of the most humiliating and shameful acts of an elected government.

Mockery of a law brings shame to the nation

CONTINUED FROM PAGE 1
What the Indemnity Act does is weaken our natural allegiance to law. Why, we can easily ask, should legality of any action be factor in our future thinking because all we need is for our political party to win. Then every violation, every theft, every corruption, every killing, every rape, every kidnapping can be 'indemnified'. All it takes is an election victory to make everything illegal into something legal. By passing the Indemnity Bill the parliament has disgraced itself in the eyes of all who look up to the parliament NOT ONLY for legislative leadership but moral and ethical as well.

We understand two things from the above, first that it provides for indemnity for people involved in our War of Independence, second (which is of relevance for this discussion) that the Article refers to individuals involved in maintaining or restoring order in a specific area of Bangladesh. So the question is

ing anything in the foregoing provisions of this Part, Parliament may by law make provision for indemnifying any person in the service of the Republic or any other person in respect of any act done by him in connection with the liberation struggle or the maintenance or restoration of order in any area of Bangladesh or to validate any sentence passed, punishment inflicted, forfeiture ordered, or other act done in any such area."

Question has arisen as to who the Indemnity is actually for? Originally we understood that the army needs to be indemnified for all the acts of custodial deaths and related abuse of human rights for the period of the so-called joint drive. However the amended version that was passed in the Parliament no longer covers the armed forces as they can now be tried under Army Law. Now that the army is no longer (and

rightly so) protected by any special law then who is the protection for? Is it for the police, BDR and the civilian bureaucracy who helped them? Take for example the BDR. They are guarding our borders and face fire both from across the border and from our own local smugglers. They have never needed indemnity for what they did, which includes occasional casualty. Its own law adequately protects police. So is the indemnity for the political leadership who must ultimately bear the responsibility of having ordered the whole thing? These are serious questions that the government must answer. The question raised here may be taken as an echo of what the leader of the opposition said on her return from Hajj and as such be brushed aside as politically tainted.

That would be a mistake. We raise the issue because it is in the public mind and as such should be addressed by those in power.

The Indemnity Bill was passed on 23rd of February and the President signed it into law the following day. Once again the President failed to serve the Nation and live up to the moral and ethical responsibility of his office. As was the case with the Ordinance, so was it with the bill, the President passed it without seriously thinking about the consequences of what he was assenting to. The constitution gives him a week to think over what the parliament passes. It allows him to return a passed bills back to the House for further consideration. Why is this provision in the Constitution? If the framers of our Constitution envis-

aged a rubber stamp president then it would not have provided for either the time lag or the opportunity to the President for returning a passed bill. They did so because it was envisioned that there could be instances when the political consideration of a government would need to be tempered by a more moral and wiser counsel of the Head of the State.

The President generally should follow the lead of the political government of the day. But that does not mean that he will not consider the deeper issues of ethics and moral standing of the nation as a whole. By not giving the government his second thoughts or providing an opportunity for it to rethink the issue, he has not only failed the party that elected him to the office but more

importantly let the nation down which expects its President to act independently (in spite of what happened to Prof. Baddruddoza) on fundamental issues of Constitutional nature. The President once again did not serve the country and his office as people would have wanted him to.

We seriously doubt whether our government has sufficiently considered the international implication of its action. How will it reconcile this Act with the numerous international covenants dealing with rights, freedoms and prevention of torture and abuse that we have signed and proudly announce our adherence to? How will the new law affect our image (we intend to write a separate piece on it) that this government ascribes so much importance to,