

Bad loan dilemma

A consensual policy awaited

IT is understood that a decision in principle has been taken to write off bad debts of five or more years' duration in the nationalised commercial banks (NCBs). In the first phase, bad loans worth Tk 5000 crore, out of a total Tk 5859 crore disbursed since independence till 1990, comes under review. In other words, only Tk 859 crore turned out to be good borrowing. But provisioning is there for only Tk 1893 crore out of which Tk 1300 crore will be written off at this stage. Banks set aside a certain portion of their profits as provision against rainy days which include the bad debt liabilities. But such a small window for cushioning against loans as above only meant that the banks didn't profit much. The irony is twofold here: first, even with that kind of fragile financial standing, the banks had to lend money; and secondly, as an insult to the injury, those who received loans would not repay either.

Concomitantly, the banks' hands have been forced to raise the rate of interest on loans to the new takers thereby putting their ability to repay in a jeopardy. One could even surmise that the burden of loan backlogs could have impelled the government to lower the rate of interest on deposits. So, there has been an unintended squeeze on lending to the private sector coupled with a reduced mopping up of savings. In one word, the potential for economic growth has remained suppressed.

Indeed, it is a double-edged sword. True, the accumulated bad debts are a constant drag on the time and energy of the NCBs. The handling problem is simply daunting. On the other hand, it is also a fact that writing these off amounts to discouraging those who repay loans and rewarding those who do not. If classified loans are thus periodically erased out of picture we shall be only spawning more recalcitrant debtors. Can we, therefore, close the books of accounts on bad debts? Certainly not. The banks must exercise their right to ultimate litigation in a relentless bid to recover the 'bad debts'. Furthermore, only a resort to court can help us fix responsibility for the bad lending.

Given the ramifications of the write-off prospects, we urge the finance ministry, bank chiefs and chamber leaders to put their heads together and formulate a joint policy announcement on how to deal with bad debts. In spite of this being a core economic issue it has remained unresolved for too long a time to be of any good to our future.

Little Tonni creates a stir

Community-police cooperation at its best

THE toddler was abducted from the Dhaka Medical College Hospital in the usually sinister fashion: the alleged trafficker Rozina enticing her away with an offer of candy and a watermelon piece. Tonni, only two and a half years old, remained untraceable for the next 19 days. No manhunt followed instantly. It couldn't, because the police had hardly any clues. The anguish of the little girl's parents was gnawing.

Then one day, everything changed by virtue of public-spirited agility at a city locality called Matuail. Some new inmates of a flat -- Rozina and Rafiq -- would raise suspicion in the minds of the house-owner and people in the neighbourhood by the way they conducted themselves. The fact of some children being holed-up couldn't be hidden anymore by the traffickers. The community tipped the police off. A police contingent led by the officer-in-charge, Ramna thana raiding the spot, Tonni was rescued.

Those arrested in the raid named others, so that altogether four child lifters were picked up. Hopefully, the police will be able to break into other child-traffickers' rackets. Child-lifting has taken on a menacing proportion in Bangladesh, many believe, with a South Asian nexus. At the regional level, SAARC is trying to forge cooperation between countries in a bid to dismantle the trafficking networks. But it is at the national level that the roots have to be cut off. The little girl's rescue in Dhaka has epitomised the effectiveness of public-police cooperation in warding off child-trafficking.

While we applaud the community's timely move to inform the police of the hide-out, we thank the Ramna thana for its action to end the abduction drama.

Vajpayee's pre-emptive peace offensive



M ABDUL HAFIZ

ON April 18 India's prime minister Atal Behari Vajpayee, while speaking at a public meeting in Srinagar, offered to talk to Pakistan 'on all issues' without pre-conditions. Pakistan's acceptance of the offer was obviously prompt and positive. Yet, only about a month back India's External Affairs Minister Yashwant Sinha had chillingly likened Pakistan to Iraq as 'fit case' for pre-emptive strike because as he said "Pakistan has weapons of mass destruction, shelters terrorists and lacks democracy" and urged the United States for military action against it as in Iraq. Washington whose example India wanted to emulate immediately ruled out any parallel between Iraq and Pakistan. Pakistan itself threatened India with a 'matching response' in the event of any misadventure from any quarter.

The brewing tension early last month over India's preemption threat has since subsided with Mr Vajpayee's offer, even though Indian side seems to be having second thought on the tone and content of original offer. The shifts were evident as Mr Vajpayee spoke in the parliament a few days later and repeated his government's offer with the addition that "Pakistan must stop cross-border terrorism and dismantle the terrorists' infrastructure". In the present case though Mr Vajpayee has not specifically spoken of a linkage between 'the talk' and 'cross-border terrorism' his deputy prime minister Lal Krishna Advani has underlined the

point of conditionality by repeating the charge of 'infiltration' and the urgency of closing down 'terrorists' camp.'

The peace overture and military threat are nothing new from either side. More often than not they traded those rhetorics which were not necessarily followed by real peace or outbreak of hostilities. Mr Vajpayee alone held out olive branch at least thrice-starting from his famous bus ride to Lahore in 1999, much-hyped Agra summit in

symbolism.

By offering dialogue to Pakistan from Kashmiri soil Vajpayee showcased India as reasonable despite being the wrong party. Vajpayee did repeatedly refer to Iraq but not in the context chosen by his external affairs minister. Vajpayee's understanding of post nine/eleven world order came out clearly at his Srinagar press-meet where he refused to take question on preemption attack while underscoring India's return to the rheto-

prospects of the talk -- because of other reasons. Peace negotiations are always launched from a position of strength and one initiated by Vajpayee cannot be an exception. Do the oft-repeated peace initiatives of Vajpayee then point to the accretion of strength? Why not? Pakistan cannot be, for a moment, oblivious of Vajpayee's politics which is essentially that of a tried BJP-RSS veteran. He, in fact, returned to power in 1999 when his government, soon after two sets of

Kargil adventure sabotaged it all forcing Sharif to beg peace in Washington and agree basically to India's conditions.

Vajpayee, thus emboldened made yet another overture and Agra resulted. After Agra's failure the BJP government started furious propaganda campaign against Pakistan and continued it for over a year. The Indian government kept on talking about a war during it and later defined it as preemptive one. The official Indian campaign

as his offer is concerned, Vajpayee can comfortably live with success as well as failure in them. Insofar as can be seen his calculation seems to be to win a national election at the crest of admiring wave for having befriended a long lost brother. But he can go back with equal ease in the case of talks failure and re-double his anti-Pakistan vitriol to win another election.

Is Pakistan equally well prepared for failure? If not, then Vajpayee's offer is certainly the best bet for her and she has been asking for it all the times. Pakistanis have to bitterly remember that they carry a terrible burden -- of the failure of their Kashmir policy. After the sacrifice of 80,000 young men's lives and horrible human miseries in Kashmir the Kashmiris' cause does not seem to have called Jihad and which the Indians call terrorism. If Pakistanis want to see they would find even their trusted foreign friends in India's corner even on this issue. Iran does not make a bone about their disapproval of their Kashmir or Afghan policies. Even Chinese want Pakistan to negotiate with India, if necessary on India's term the Americans and British have already pitched in on India's side. A great deal of rethinking is overdue in Pakistan's foreign policy -- particularly with regard to Kashmir.

From Indian stand point, Vajpayee's comments in Srinagar marked a neat tactical shift from the jingoistic interpretation of Yashwant Sinha's generalised remarks on pre-emptive strikes. The course correction was necessary as Sinha's observations have been used by Islamabad to question New Delhi's claim of being a responsible nuclear power. Can Pakistan also spring a surprise through an innovative thinking and seizing whatever opportunities there might be in this situation to rise above the puerile and dated formulations on Kashmir and think of a paradigm shift?

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PERSPECTIVES

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2001 to yet another offer for dialogue now. Each of his earlier efforts at peace-making somehow failed to gel. Still the friends both of India and Pakistan have welcomed the Indian offer, notwithstanding its snags hoping that Mr Vajpayee's Srinagar initiative can turn out to be seminal and that the two countries can resume the dialogue that had stalled since Agra-2001.

However, 'caution' is the watchword for the moment. The situation in the sub-continent is always in flux and prone to imponderables. The same moves can sometime abort and the achievements made can be scuttled by forces beyond the control of the two governments. The Agra summit was not an unmitigated failure; neither was Vajpayee's bus ride to Lahore. Yet they yielded nothing in terms of peace-making. Then, coming in the wake of Mr Yashwant Sinha's caustic statements on the preemptive strike doctrine against Islamabad Mr Vajpayee's task was far from easy. But Vajpayee's conciliatory comments were packed with a diplomatic import beyond

ric of entente. It was a master-stroke -- to state the least -- to make the international community view South Asia from Indian prism of peace.

Pakistan, however, worries both over the intents behind and also

nuclear tests decided to open negotiation with Pakistan. Mr Vajpayee then rode a bus to Lahore and signed various documents there with Prime Minister Nawaz Sharif. There were indications that the talks had gone well. But the

created a vicious anti-Pakistan climate in India in which a real war -- preemptive or not -- would naturally be supported by a lot of Indians and also to enable BJP to remain in power -- perhaps by winning another national election a year hence. On encountering another failure in Indo-Pakistan talk India will fall back on more of the same: what it has been doing since December 2001. Either way she has nothing to lose.

But the conditions, based on both countries' oft-repeated stances, are propitious enough for a war, although a comforting conclusion can be drawn that the reasons why the Indians actually did not go to war with Pakistan last year still largely apply. A deterrence of sorts! But there is a difference if the war indeed breaks out. India's preemptive war cannot now be a simple conventional foray in Azad Kashmir to dismantle terrorists' camp. It will be, as the Pakistanis have held, a full fledged war resulting possibly in sudden massive nuclear strike. That's where the worries of the Indians also lie. As far



Indo-Pak relations: Is a change of heart possible?

ZAGLUL A CHOWDHURY

FINALLY, rather paradoxically, indications are quite clear that the relations between the two hostile neighbours of South Asia -- India and Pakistan -- are set to take a better shape. At least they are going to talk to each other and that too probably at the highest level. Indeed, this is a great development in the region. It is remarkable not only for India and Pakistan, but for the entire South Asia. For, the overall improvement of the political environment in the region is not possible without a marked development in the bilateral ties of the two countries, which touched almost nadir sometime ago. Two nuclear-capable neighbours were almost on the brink of a full blown armed conflict twice in the recent past. Fortunately, the actual combat did not take place even after an alarming situation when both sides mobilised more than a million troops along their long frontier. It was good that wisdom eventually prevailed on their leadership not to swing into a war and the troops were later pulled back to barracks.

A war would have left consequences of unthinkable magnitude particularly for the reason that use of atomic weapon could not be fully ruled out in the event of a real conflict. Anyway, this did not happen but the stand-off continued with no formal contacts between two countries and no lessening of the tensions as such. In fact, there were virtually no signs that any tangible improvement was taking place in the vexed bilateral ties even after the withdrawal of the soldiers from the borders. But now things have changed for the betterment and that too quite unexpectedly. Two sides have taken several decisions that are surely very positive and all eyes are now set on the future course of activities between New Delhi and Islamabad surrounding the fresh moves towards normalisation or development of the bilateral relations.

At a time when the entire world is occupied with Iraq situation the attention is turned to the South Asian region because of the happy development here centring the complex ties of the two arch-rival nations. Hopefully, the moves that came in quick speed towards bettering Indo-Pak links, will not collapse this time as top leadership of both countries seem to be pursuing the issue seriously despite the fact that the task is delicate and path is strewn with such impediments which are really difficult to overcome. Nevertheless, the very fact that both have shown the willingness to shun the bitterness as far as possible is the most positive development that has taken place in the region after a pretty long time.

Prime minister Vajpayee later told parliament that he wants to make a final bid to improve ties with Pakistan and this will be the last attempt at least in his life time. His emotive appeal made many convinced about the seriousness of the attitude and the equally positive signals coming from Islamabad shows that they are well on course of an exercise to reverse the trend of acrimony and hostilities. However, it remains to be seen how far two countries, which generally look askance at each

other's every move, can eventually go to improve the ties.

May be certain developments have encouraged them to shed the hitherto known enmity to an extent to facilitate the contacts. New realisation fostered by the Iraq tangle probably has a role to play in this situation. It is possible that the awareness that continued instability in the region stemming mainly from Indo-Pak tensions may turn the ground more fertile for big power intervention or influence on the countries in South Asia prompted them to veer towards peace moves. Nations of this region had by and large similar positions on the Iraq tangle like disapproval of military action by the Anglo-American forces

which has so far opposed to talks with Pakistan unless some conditions like discontinuation of 'cross-border' terrorism meaning Islamabad's alleged armed assistance to Kashmiri militants are met, to go for dialogue. But now talks are likely to take place without any pre-conditions. Vajpayee's decision to have talks is sagacious since it is totally unlikely that Pakistan would accept such conditions for dialogue as it denies Indian allegations. New approach has made talks possible, which looked impossibility till the other day. On the other side, it is also possible that Washington-London axis is putting tremendous pressure on both countries for dia-

logue. For, having taken control of Afghanistan and now Iraq, the United States particularly may think that a relatively peaceful South Asia will of advantage to it as it can concentrate more on the areas which deserve attention. It was American deputy secretary of state Richard Armitage, Bush administration's troubleshooter, who played an effective role in persuading both countries earlier to withdraw from a war-like situation. He has again visited the two countries and Washington seems encouraging the peace efforts.

However, complexities are so intractable in the Indo-Pakistan relations that good moves are seldom met with reasonable degree of success. Vajpayee's summit with Nawaz Sharif in February, 1999 in

contention for two countries and their divergent positions make it difficult to reach common ground for a settlement. How far concessions can they make on this vital issue? Pakistan prime minister Zafarullah Khan Jamali gave hints that president Musharraf and the armed forces have support to peace moves with India. He was also talking to all major political parties. Indian prime minister has the support of NDA coalition partners and also largely the headline faction within his own BJP. Major opposition parties are expected to endorse the reconciliation process. However, extreme religious groups and their leaders like Ashok Singhal of Vishwa Hindu Parishad or Bal Thakarey of Shiv Sena oppose peace moves with Pakistan. Kashmir is an emotive issue for both and governments in both countries have certain compulsions regarding this critical matter.

Indo-Pak peace process has a lot of thorns. The road is undoubtedly bumpy. Nevertheless, the peace initiative can be expected to cast a sobering effect on their bitter bilateral ties no matter how successful or lasting will be the endeavour for stability and tranquillity. This approach is of invaluable importance for the South Asia as a whole where peace is imperative for the economic well being of the vast multitude. However, this peace is contingent upon a reasonably good Indo-Pak relations as they are the principal actors in the regional scene. We wish that latest development in the area will produce something tangible although one cannot be under any illusion that bitterness and mistrust will evaporate overnight.

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MATTERS AROUND US

Indo-Pak peace process has a lot of thorns. The road is undoubtedly bumpy. Nevertheless, the peace initiatives are expected to cast a sobering effect on their bitter bilateral ties no matter how successful or lasting will be the endeavour for stability and tranquillity. This approach is of invaluable importance for the South Asia as a whole where peace is imperative for the economic well being of the vast multitude.

Indian prime minister Atal Bihari Vajpayee's offer of olive branch to perennial foe Pakistan during his recent trip to disputed region of Kashmir came as a surprise to many for the simple reason that nothing of that nature was anticipated at the present state of the Indo-Pak relationship. On the contrary, in the wake of the Iraq tangle, India was suggesting that Pakistan was a "suitable case" for attack by "coalition forces" to root out terrorism and it came from no less a person than Indian external affairs minister Yashwant Sinha. Islamabad's reactions to this comment was expectedly furious and it appeared that New Delhi-Islamabad relationship took another step for the worse. It is in

other's every move, can eventually go to improve the ties. May be certain developments have encouraged them to shed the hitherto known enmity to an extent to facilitate the contacts. New realisation fostered by the Iraq tangle probably has a role to play in this situation. It is possible that the awareness that continued instability in the region stemming mainly from Indo-Pak tensions may turn the ground more fertile for big power intervention or influence on the countries in South Asia prompted them to veer towards peace moves. Nations of this region had by and large similar positions on the Iraq tangle like disapproval of military action by the Anglo-American forces

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Lahore was seen as fairly successful but the ambience was lost in short time. His second summit with General Pervez Musharraf in Agra in July, 2001 was largely fruitless. And all contacts were frozen since an attack on Indian parliament in December, 2001 for which New Delhi blamed Islamabad and the latter denied the accusation. So, now Vajpayee is willing for a "third and last one for him" but he needs careful preparations. It is good thing that other contacts may resume without waiting for the summit. The rolling back of certain decisions on diplomatic ties, air, rail and road communications augurs well to normalise ties. The resumption of the cricket matches will definitely provide a boost.

Revitalising NAM: Can it meet the challenges of unilaterlism?

AMM SHAHABUDDIN

NAM (Non-Aligned Movement) had recently come into focus, hitting encouraging headlines, as the 13th Summit in Kuala Lumpur, Malaysia, emphasised the summit's theme of 'Continuing the revitalisation of NAM'. The Kuala Lumpur Summit, attended by more than 60 heads of state and government of its 116 member countries, in its declaration, emphasised NAM's role in promoting 'multilateralism to face the growing tendency of unilateralism' as a new benchmark for world domination.

NAM, which played a powerful and vital role in international and regional affairs since it came into existence in the fifties, was almost taken as dead and gone for the last couple of decades or so. The renewed call for revitalisation of the 'dead' organisation, coming from the Kuala Lumpur Summit, held under the chairmanship of that most outspoken Asian leader, Mahathir Mohammad, has undoubtedly carried a new message. It would be a miracle if NAM could stand up again, regaining its former glory. Then the organisation would become a dynamic symbol of hope and aspirations, both political and economic, for the Third World developing coun-

tries which it represents. NAM is the second largest body after the United Nations (UN), constituting about two-thirds of UN membership, covering almost half of world population, mostly from Asia, Europe, Africa, Latin America and the Caribbean region. The necessity of revitalising NAM is more felt of late vis-a-vis the predicament of UN in the face of US' invasion of Iraq.

Kualalumpur declaration

The Kaulalumpur Declaration is totally different in character from the previous such declarations which were more ornamental than substantial, making much ado about nothing. So the Declaration along with the two strongly worded statements outlining its policy on Iraq and Palestine revealed the hardest truth ever made public by any of its previous summits, particularly, since the demise of Soviet Union, leaving the field open for the only superpower to rule the roost.

The new call has come for promoting multilateralism for defending both political and economic interests of the Third World and lift the organisation from the depth of its political marginalisation made by vested political interests representing the champions of so-called unpopular world. The KL Declaration unequivocally said

that in realising "our goal of revitalising the NAM, we must exert every effort towards the promotion of a multi-polar world through the strengthening of the United Nations, as an indispensable international organisation..." So the basic things that the Declaration underlines are: (a) promotion

destroying Iraq in the name of liberating the country from the evil Saddam regime, has opened a new vista for the NAM, with immense potentialities, to plan its new course of action as a strong parliamentary body in the UN. It would serve as a new opening for a revitalised NAM as envisaged by its cur-

activities, both within and without the UN, were rather unpalatable for them. And the demise of the Soviet Union, thanks to the wonderful workmanship of CIA, solved the problem by removing their pain-in-the-neck altogether. Since then NAM was lying there as a spent-up force, of course holding

to make it a more peaceful habitat! At this critical juncture when world peace and stability stands at a dangerous crossroads NAM needed a strong-minded leader like Mahathir Mohammed. At least the Kuala Lumpur Summit's bold stand to prepare NAM to face the new challenges by the champions

hot-headed war policy against Iraq and Israel's continued violation of UN resolutions on Palestine.

NAM to go deeper

But NAM would have to go much deeper to uphold the evil forces which are spreading like cancer to destroy world peace. NAM should begin its role in the UN by opening a new front, bringing in the question as to how the only superpower could whimsically kick the UN-sponsored 1972 ABM (anti-ballistic missile) Treaty and withdraw from an international treaty, to which it is a signatory, and thus creating a bad precedent, to open the Pandora's box for further nuclear proliferation, with a vow to go ahead with its 60-billion dollar NMD (National Missile Development) programme on the plea of self-defence against 'minnows' like Iraq, Iran and North Korea.

The world must be watching with a heavy heart how the most powerful superpower left on this good earth is having its whims fulfilled by hook or by crook, without any meaningful opposition from any quarters. Otherwise how US could wash off its hands from the protocol agreed upon at the Kyoto convention on climate change in 1997 on the plea that the provisions would go against US interests. Bush just ditched it

NAM will have to tighten its belt and stand up to help build a strong force within and without the UN to restrain by all means such whimsical actions that go against international peace and security, creating chaos and confusion in the minds of the peoples of the world. And only a revitalised NAM can claim as a new decisive force in world affairs.

of a multi-polar world, (b) strengthening UN as an indispensable international organisation.

Multilateralism vs unilateralism

The Declaration, therefore, rightly stressed that "with the end of the cold war, the emergence of unipolarity, the trend towards unilateralism and the rise of new challenges and threats... It is imperative for the NAM to promote multilateralism." How true it is in the present context of things when a handful of self-appointed world policemen are flexing their muscles like Goliath to demolish little David. The havoc created by the modern champions of peace, by

rent Chairman Mohathir Mohammed.

NAM has been a constant eye-sore from the very beginning for those who couldn't tolerate its ever-growing popularity in mastering the majority of the countries under its umbrella to serve as a sort of 'buffer bloc' between the two world superpowers -- America and the Soviet Union, in the post-war cold war period. Moreover, many eyebrows were raised in the West when four of its founding fathers, namely, Pandit Nehru of India, Dr Soekarno of Indonesia, Marshal Tito of now defunct Yugoslavia and President Nasser of Egypt, professed 'socialism' as their political faith. Hence NAM's

its ceremonial summits and issuing hollow declarations.

A hopeful beginning

Thus NAM had a sad end, at least presumed to be so, by its millions of well-wishers. Because when burning issues like the Iran-Iraq war, Israel-Palestine conflict, India-Pakistan stand off and a host of other issues, like Bosnia, Kosovo, Ethiopia, Somalia, etc, arose, NAM was nowhere to be found.

At last NAM seems to have woken up from its deep slumber, to find a new and changed world, being controlled and driven by a handful of moony leaders to wipe out evils from the face of the earth

of 'uni-polarism', has kindled new hopes about its future role in world affairs. If NAM now succeeds to shake off its lethargy and can stand up to call a spade a spade, then the frustrated world would find a new opening for them to face newly emerged evil forces in any part of the world. Then only NAM can serve as a strong 'jack' to lift the UN from the morass it is now in. The bottomline is that no power on earth, however 'mighty' it might be, should be allowed to be mightier than the UN. None should dare to ignore UN or use it to serve or legitimise its actions. A hopeful beginning has been made at Kuala Lumpur, when NAM took a clear-cut stand against America's

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