

## Renewing old ties

### A new partnership takes shape

Heads of government and state always meet. But the meeting between Megawati Soekarnoputri and Khaleda Zia is special in the sense that this meeting was between two woman governmental heads representing two Muslim majority countries. Without making too much of the gender issue, here we point out this fact as a contrast to what the West is in the habit of saying about the place of women in Muslim societies.

We cannot help but make another contrast. US Secretary of State had but a few hours for us while President Megawati is honouring us with three days of her presence. We are aware of Colin Powell's global commitments and the tight schedule he must follow, and we are very thankful for the visit itself, yet we cannot escape the facts as they stand. The contrast aside, we are proud to host such important guests simultaneously and we will treasure the memories of their time here.

It is the Indonesian President's visit that is the subject of our comment today. We consider it to be another significant development in our "Look East" policy. One of the major foreign policy initiatives of the present government has been to reinforce our already existing excellent relations with the Southeast Asian countries and add a new dynamism in it. The first major demonstration of it was the exchange of visits by the Thai and Bangladeshi Prime Ministers and the extension of some special trade privileges to us by the former. The strengthening of our relations with Indonesia follows naturally from the initial steps we took.

Bangladesh has expressed its desire to be a member of ASEAN Regional Forum (ARF) in attaining which Indonesia has committed to lend us a helping hand, and our membership of ARF should now only be a matter of time. This membership will in fact be a natural extension of our "Look East" policy. Southeast and East Asia have been and continues to be major growth centres. Together with China, the rising economic power, this region holds out the prospect of being among the fastest growth areas in the world. Thus it is the natural place to link up with if we want to be a part of that growth process.

As moderate and liberal Muslim majority countries we have lots of things in common just as we have many similar challenges to face. The foremost among the latter is the challenge of global terrorism. The recent bomb attack in Bali has come as a rude wakeup call to the governments of both countries. We must face the fact that an extreme fringe has developed within our society that espouse hatred and violence as a means of achieving their ends. The Indonesian experience is a clear signal that it can happen in a highly tolerant society. Therefore collaboration between our two countries in fighting terrorism, as committed by our PM during her banquet speech on Wednesday, is most crucial.

We welcome the four-point trade and business related agreements that have been signed between the two sides. Avoidance of double taxation, counter trade agreement, exchange of lists between the two commerce ministries, and the co-operation between our two apex trade bodies are all significant steps. As possible trading partners both countries will now have to follow these developments with a strong political commitment. Trade is not likely to grow automatically. It can proceed on clear policy decisions followed by appropriate incentive packages that will make business sense among the private sector on both sides. The formation of joint Business Council is welcome step and the planned trip to Indonesia by our trade bodies a natural follow-up. The big business delegation accompanying President Megawati is a clear indication of the interest of Indonesia to build strong business ties with us, which we must reciprocate in every manner possible.

A far more active cultural relationship between our two countries is also something we should work for. Both of us have significant minorities whose distinct cultural and ethnic diversity has made our culture far more rich and varied. We hope that this visit by the Indonesian President will be followed by cultural exchange between our two countries which will help greater understanding and appreciation of the cultural diversity that makes us along with Malaysia, so unique among Muslim majority countries.

## About the budget



HASNAT ABDUL HYE

IRRESPECTIVE of its nature and scope, a national budget never fails to evoke intense interest and generate animated discussion. In fact, speculation becomes rife well before the announcement and placement of the annual proposal in Jatiya Sangshad. This is whetted by inspired leaks and series of consultations that the Finance Minister has with various groups, mostly in Dhaka. In spite of being an annual event, some would say a ritual, a budget retains its power to attract attention because of its importance in the nation's life. Rich and poor, all are affected by it, though in different ways. This is the most elementary explanation for budget's enduring mystique and the lively discussion induced by it.

The budget for the next fiscal year, which has just been placed before the Jatiya Sangshad, has already hogged headlines in newspapers, followed by detailed publication of the text. There has been a post-budget press conference by the Finance Minister, which has become part of the presentation ceremony. Almost on cue, comments have been made by the subject matter specialists, various interest groups including chambers of commerce and industries and the opposition parties. Curiously, all these centre around Dhaka. Be that as it may, the print media deserves credit for giving wide publicity to the event without which the general public would have remained benighted about the budget. Responsible comments and editorials in newspapers further help the public in forming their opinion as well as to give feedback to the government. Heightened state of public interest, created and sustained by these reactions, not only

facilitates pragmatic fiscal policy making but also fulfils an important requirement of democratic decision making: participation. Unfortunately, the contribution of public representatives to the public discussion of the budget remains insignificant both because of indifference and rejection. Indifference is manifested through the pliant attitude of and acquiescence by the treasury bench members who remain silent or are very mildly critical as if in a well-rehearsed reaction to the budget proposals.

Seen from this temporal perspective budget is a continuous exercise to achieve goals that range from medium to long-term. It is the 'vision' in a budget that matters, not its nitty-gritty details. A budget cannot lose sight of the forest because of its pre-occupation with trees.

The present budget is the ninth prepared and presented by Mr. Saifur Rahman, who is in his third term as Finance Minister. The long experience that he has in this area gives him an uniquely intimate insight into the working of

the current fiscal year has been to consolidate the success achieved in the past year and to further accelerate the pace of economic growth, develop a sustainable medium term strategy for economic prosperity and poverty reduction and to initiate appropriate programmes for implementation of that strategy."

The vision for future is clearly spelled out in the above excerpts from the speech. The present budget has thus passed the test of being an instrument for economic growth and

ity of the government, which is 'leading' the nation and of the people, who are being led by the government elected by them. Even those who did not vote for the party(ies) in power, and who are in opposition, have an obligation to try to reach consensus on fiscal policy as the most important instrument for growth and social change. A particular party may be in power but a budget cannot be partisan, particularly when there is so little difference in the economic policies of the major parties.

ary duty runs foul of WTO Rules. If it is thought to do so when calculated on the basis of import duty, there is always the scope of slapping it under the changed label of 'expenditure tax'. It is not only for the sake of raising revenue that we need supplementary duty or expenditure tax, but also as a way of taxing the well to do more than the poor. The items coming under this category of taxation are mostly used by the economically well-off. Supplementary duty renamed as 'expenditure tax' will be a very progressive way of taxation with greater incidence on the rich.

As regards social development, the emphasis on poverty alleviation, education and health are steps in the right direction from the point of view of the Interim Poverty Reduction Strategy Programme (I-PRSP). But much will depend on how allocations to the concerned sectors are spent and utilised. It is not enough to say that Tk. 18,000 crore under I-PRSP will be available for the next three years, as there is no guarantee that funds allocated to sectors with potentials to contribute to poverty alleviation will actually do so. Only programmes targeted on poor and disadvantaged can ensure that. Thus, important as it is to raise growth rate to 7 per cent per annum through adequate investment to achieve the millennium development goal of reducing poverty by half by 2015, the selection of poverty programmes and their implementation will be more crucial. If this strategy is followed the danger of widening economic disparity can also be addressed reasonably well.

To conclude: the present budget has the requisite vision for the future and also the strategy to make it real. Much depends on political will and on governance and the two are in fact, enmeshed. As the most potent policy instrument of the government budget can give concrete shape to governance if it is realistically formulated and effectively implemented with broad-based participation based on consensus. The present budget is reasonably realistic. The question is: will it be implemented effectively?

Hasnat Abdul Hye is a former secretary, novelist and economist.

## IN MY VIEW

The present budget has been welcomed on the basis of some aspects and criticised in respect of others. This is only natural and expected. A budget cannot be totally satisfactory to each and every group in the society. The moot point is whether it hurts less and benefits more, over all. The overriding criteria of budget are classically utilitarian: The greatest good of the greatest number.

The opposition members, on the other hand, ignore and reject the budget by their absence from the Sangshad. Whatever comments are made by them outside the Sangshad are mostly negative in nature and sporadic in coverage. This limited and inconsequential participation by members of parliament belonging to the treasury bench and the opposition is the most serious weakness in the fiscal policy making of the country to-day.

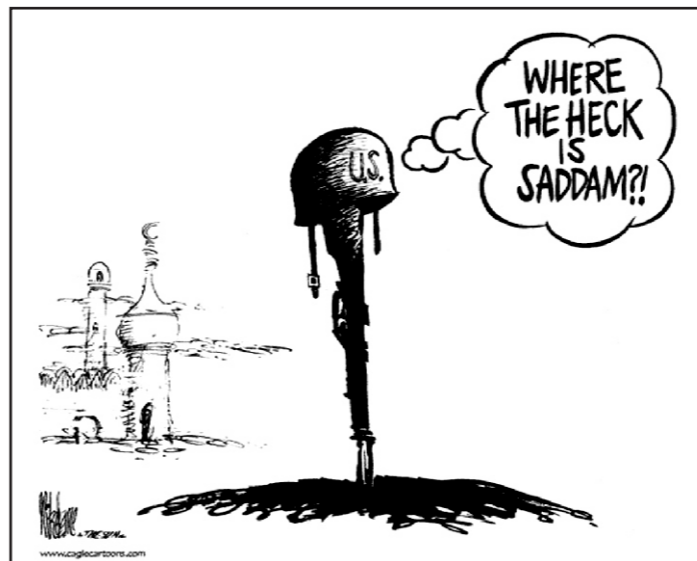
As in the past, the present budget has been welcomed on the basis of some aspects and criticised in respect of others. This is only natural and expected. A budget cannot be totally satisfactory to each and every group in the society. The moot point is whether it hurts less and benefits more, over all. The overriding criteria of budget are classically utilitarian: The greatest good of the greatest number. The welfare to be promoted for people has also a temporal dimension. If a budget imposes fiscal burden at present for assured welfare in the not too distant future, a strong case can be made out for such temporary suffering. So the question that should predominate is, what a budget will deliver to people tomorrow as against what it proposes to them by way of sacrifice to-day.

Bangladesh economy, including its strengths and weaknesses. Abrasive and blunt at times, he knows very well what measures need to be taken to set the economy on a growth path. Working under democratic compulsions he also is aware about the limits to the fiscal power of an elected government. He highlighted the task in his budget speech when he said: The chal-

social development. Of course, it is an entirely different matter whether the vision embodied in the budget will be translated into reality. That task has direct bearing with the political will of the government and day to day governance administered by it. A budget can be a road map to future and can also be a guide, but the will to travel has to be there. It is the collective responsibility

The medium term strategy for the economy envisages a 5.5 per cent rate of growth for GDP in the next fiscal year, rising from the current rate of 5 per cent. In fiscal 2006 it is expected to post a growth rate of 6.5 per cent. The key to this growth rise in public expenditure is expected to be Tk. 20,300 crore under development and Tk. 36,000 crore under revenue expenditure. There is nothing wrong with these levels of expenditures but what is a matter of concern is their mode of financing. About 51 per cent of ADP is slated to come through foreign aid which will include a 33 per cent jump in foreign borrowing amounting to Tk. 9,805 crore. As against the total of 36,000 crore of revenue expenditure bank borrowing will be resorted to for deficit financing to the tune of about Tk. 9,805 crore, registering a jump of 33 per cent from previous year.

The silver lining in an apparently dark cloud of financing is the fact that dependence on foreign aid is gradually declining, while revenue income is showing an upward trend in real terms. In the budget proposal the income tax base has been widened and VAT coverage increased. These two sources will compensate for the dwindling revenue income from import duty. It is a moot point whether supplement-



## Do you love your country?



MOHAMMAD BADRUL AHSAN

SIMPLE question but let me ask. Do you love your country? If the answer is yes, then when was the last time you did something for it? If the answer is no, then do you ever feel guilty for it? Why would you feel guilty if you do, and why not if you don't?

One definition says that patriotism is love of one's country, to support, serve and defend, to be inspired by, to change for the better and to care deeply for its citizens. Julius Caesar destroyed the liberties of his country to enjoy the inferior pleasures of life. He never knew that there were superior pleasures in the faithful discharge of one's duty to the commonwealth.

A patriot is someone, whose pleasure arises from the faithful discharge of his duty to his country. He bends all the forces of his understanding, and directs all his thoughts and actions to the good of his country. He becomes obsessed with his passion for the motherland, the highest virtue of his earthly life culminating in the supreme sacrifice when he dies to defend its honour. To a patriot, there is no virtue higher

than the love of his country.

Is it true for you, also? Have you done anything lately to uphold that virtue? Have you done anything to return the favour of your country, to repay your debt, to show your gratitude to it? You have grown up in this country and so did your ancestors. The air, rain, sunshine, music of birds, fragrance of flowers, rivers, sky, horizon, day and night, everything that succoured the cells in your body, everything that nourished your soul, you owe it to the enclosure of land which has nestled you like the mother's lap.

their wallets? For them patriotism is a ritual, a means rather than an end, an excuse more than ethos. They treat patriotism as a ladder, greed making its every rung, their debauch and perfidious instincts lifted by the pretension of the righteous.

"Patriotism, sir, is the last resort of scoundrels," said Dr. Johnson. Some scholars have decried patriotism as a virtue, because it has caused distortions, which has harmed humanity as a whole. Leo Tolstoy was amongst the greatest anti-patriots of our times, who defined patriotism as the principle

concluded, that conceit, arrogance and egotism were the essentials of patriotism.

One Western thinker has asked in good humour that love is a wonderful thing but why confine it to the borders? Patriotism is criticised for its unifying impulse to divide, which breaks the world into little spots and then makes it the duty for everyone living on that spot to fight, kill and die for it. Thus patriotism is a parochial passion taken to its profoundest conclusion, holding a man or a woman in a mental state of insurmountable frenzy.

bosom friend of Voltaire, once said: "Religion is a fraud, but it must be maintained for the masses." Is patriotism a fraud, which must be maintained for the masses, even though the above average and the super smart understand that it means nothing?

Three million people have died in this country, some fighting, some defending, others simply being on the wrong side of time. Their flesh and bones, blood and tissues melted and evaporated. Some were heroes, some were victims, but they all perished in the fight for freedom.

harboured by the scum of earth.

What do you think of it? Do you use or do you abuse the memories of those who died for the love of this country? How do you see their death, their lives cut short by enemy bullets because they had come in the line of a call of duty? Do you see them as victims of war or martyrs of a cause?

A man I recently met described how he was operated on the same eye for three times, twice without anaesthesia. I asked him how he could take the pain. He said he thought of his days as a freedom fighter and tried to console himself that it could have been worse if he were captured by the Pakistani army in 1971. This is called empathy, the feeling of another man's pain as if it was your own. Another way to do it is sympathy, feeling for the man but not the pain.

Do you empathize with the martyrs of this country, or do you sympathize with them? Before you give answer to my first question, think hard about my last question. Think you have a country, because they died. Think you have freedom, because they chose to fight. Think you have dignity because they suffered. Think you have a gift because they sacrificed. Think you are enjoying the fruits of pain, which they suffered in the hands of their enemies.

Now you tell me if you love your country, and what have you done for it. If you have plundered and squandered its wealth, then you are an enemy. If you are willing to serve your country and die for it, you are a patriot. Know your place in the new conflict, because a confrontation has become inevitable.

Mohammad Badrul Ahsan is a banker.

## CROSS TALK

Think you have a country, because they died. Think you have freedom, because they chose to fight. Think you have dignity because they suffered. Think you have a gift because they sacrificed. Think you are enjoying the fruits of pain, which they suffered in the hands of their enemies.

Do you love that enclosure of land? And what have you done to show that love? Sensitive question I know, but let me ask. What have you done besides living in it, to prove that you are its worthy son? If it becomes your duty to take care of your mother when she is old, then why should it not be your duty to serve your country when you are old enough to do so? Why not?

There are people who give lip service to their country, those who shamelessly plunder its wealth and honour, yet claim to be patriots. Are you amongst them, the opportunistic hordes of people who pit fellow men against fellow men to fatten

that will justify the training of wholesale murderers. Gustave Herve, another great anti-patriot, called patriotism a superstition, one far more injurious, brutal, and inhumane than religion.

He then went ahead to distinguish between two of mankind's most primal passions. The superstition of religion originated in man's inability to explain natural phenomena. Patriotism, on the other hand, is a superstition artificially created and maintained through a network of lies and falsehoods; a superstition that robs man of his self-respect and dignity, and increases his arrogance and conceit. Hence, he

Yet people have died in that frenzy. They have died in every revolution in the world, in every political upheaval against colonialism and occupation. They have died in Europe, Asia, America and Africa. They are still dying in Palestine, Iraq and Bosnia. People have died and are still dying in demand for a free homeland, in demand for freedom and dignity.

Is patriotism linked with the dignity of man? Is there pride in one's love of one's country? Or is it just organised touchiness, a non-issue mirrored and magnified as a great moral discourse signifying nothing? Frederick the Great, the

Yet there are those who lived, some heroes, some cowards, some clever and some sheer lucky.

If you compare and contrast the two kinds of people, those who died and those who lived, patriotism rings hollow in the ultimate analysis. The dead got the monuments, while the living multiplied their wealth. The dead were wretched, while the living got rich. The dead are remembered on particular days, but forgotten for the rest of the year, while the living decide who amongst the dead are worthy of their memories. The dead have been reduced into some kind of a moral mouth freshener to hide the bad breath of scuzzy intentions

## Pledges of financial help and existing gaps in Sri Lankan peace process

MONZURUL HUQ writes from Tokyo

MORE than 4.5 billion US\$ of financial assistance was pledged to Sri Lanka last week at an international conference in Tokyo. The amount is far greater than what the government of Sri Lanka as well as important donors earlier expected, and a jubilant prime minister of the country, Ranil Wickremesinghe, did not hide his utter satisfaction when at the end of Tokyo meeting he announced that the sum exceeded 'even the most optimistic expectations'. An earlier forecast of aid to be pledged at the conference put the amount at \$3 billion.

The two-day conference, attended by representatives of 51 countries and 22 international organizations, however, has tied the release of the fund to a package of political and economic reforms, including the resumption of peace talks between the government and the separatist Liberation Tigers of Tamil Eelam (LTTE). The Tokyo

Conference on Reconstruction and development of Sri Lanka was held amid concerns that the stalled peace talks between the Sri Lankan government and LTTE might possibly affect the donors' enthusiasm to pledge. A ceasefire is still in place between the government and the Tigers since February 2002 and six rounds of peace talks have so far been held.

At the center of controversy now is the crucial issue of an interim administration for the northeast of the country. The LTTE is demanding that the government should make a firm commitment of its formation before the rebels can be persuaded to return to the negotiating table. But the government's response so far is that, all it can provide under the constitution is an agency like structure that would supervise development and rehabilitation programmes and the procedure. As constitutional amendment in Sri Lanka requires two-thirds endorsement in parliament followed by ratification at a referendum, the

Lack of consensus among different political groups is also posing a serious threat; and this might further undermine international community's effort in helping Sri Lanka to overcome the effects of civil war and ethnic conflict.

only option remains before the government is to set-up an administrative body, and LTTE has already rejected the idea.

Weeks of intense appeal by Japan and the main peace-broker Norway had failed to change the hard-line stance of the Tigers and the Tokyo donor conference had to be arranged without the participation of the Tamil side. Japan and other co-chairs of the meeting decided to go ahead with the conference to show the LTTE the benefits Sri Lanka by staying the course of peace; and also to send a strong and clear message to the parties that they should negotiate for a durable peace. Japan promised US\$1 billion in soft loans and grants and the Asian Development Bank

will provide a similar amount of assistance. The World Bank will provide a further US\$ 800 million and the International Monetary Fund more than US\$ 500 million. The reminder will come from the European Union, the United States and other donor countries and international organisations.

With aid money already on the offer, the major parties involved in pledging the amount are now convinced that both sides would realise the importance of assistance coming from outside in rebuilding country's shattered economy and will not miss the opportunity of helping the people to start rebuilding the physical and social infrastructure destroyed by 20 years of civil war. But the promise of big money alone

will not be enough in convincing the concerned parties of the conflict to forget their differences and join hands in building a better future.

The Tigers pulled out of a scheduled seventh round of talks in April, saying they were dissatisfied with the progress in humanitarian aid and rehabilitation need for the war-shattered region. They also fear that the aid money will be concentrated in the hands of the government and will be used on a preferential basis to help the clients more than those who are in real need of help. The demand for immediate formation of an interim administration was the reflection of such anxieties among rebels, who by now are holding their pledge of not to resort to civil war again for more than a year.

But it is not only the LTTE, which is showing their reluctance to stay out of the peace negotiation for the time being. The administration of Prime Minister Wickremesinghe is also increasingly coming under pressure from country's main opposition party People's Alliance, which is accusing the government of taking too soft a stance against the rebels and giving up to the demands of foreign powers interfering in Sri Lanka's internal affairs. Commenting on the outcome of the Tokyo conference, a party spokesman made it clear that People's Alliance objected to Western involvement in country's peace process. Increased international involvement could make Sri Lanka becoming a colony of the West, he said. This reality also

reflects a deep division between rival political parties of President Chandrika Kumaratunga and Prime Minister Wickremesinghe. The president and her party is worried that any success in the peace process might add extra points to the credit of the prime minister that might help him in a big way in the next presidential election. Hence they are determined to rock the boat by all possible means, even if it would result in derailing the whole peace negotiation.

President Kumaratunga had earlier snubbed a request made by the Japanese government to issue a videotaped statement supporting the Tokyo donor conference. The request was made through former foreign minister Lakshman Kadrigamar, who is now a senior advisor to the president. The organisers of the conference intended to show the video prior to Prime Minister Wickremesinghe's speech at the opening session of the conference. A spokesman for the presi-

dent's office confirmed that Kumaratunga had declined to issue the video statement. In Tokyo too, members of Sri Lanka's Janata Vikhrami Party, a radical Sinhala group belonging to country's multi-party opposition, protested against the conference and confronted the prime minister.

As a result, the absence of Tigers in an important conference held in Tokyo to help Sri Lanka overcome post civil war difficulties is not the only stumbling block that the island nation's peace process is confronting in recent days. Lack of consensus among different political groups is also posing a serious threat; and this might further undermine international community's effort in helping Sri Lanka to overcome the effects of civil war and ethnic conflict. The pledged amount of financial help, therefore, is not the only precondition capable of allowing the country to move forward by burying all hostilities of the past.