LATE S. M. ALI

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Stiglitz's comments music to our ears

Globalisation poses serious challenge to LDCs

ROFESSOR Joseph Stiglitz is no stranger to our nation. But, during his recent sojourn in Dhaka, he had talked of things that must be read with care and curiosity and put into proper perspective. His comments entailed warnings for the Least Developed Countries (LDCs) like Bangladesh as such countries have begun to assimilate themselves gradually into the global economy. The uncertainties that grip such nations are indeed daunting and adequate scrutiny must be exercised before nations succumb to the globalisation trap.

One of the remarkable concerns of the Nobel laureate economist with respect to the efficacy of the laissez faire in any LDC is that 'leaving things to the market to address the emergency doesn't always work.' Given the experiences of Thailand, Mexico and Argentina (besides Korea and Indonesia), one need not overplay the concerns spoken out by Professor Stiglitz. These nations have had the traumatic experiences of collapsed currency and 'IMF bail out' due to what Stglitz calls 'procyclical' macroeconomic prescriptions handed out by the IMF and the World Bank to run their economic affairs.

By implying that economies too need intervention, Professor Stiglitz seemed to have veered to the Keynesian school of thought that played an effective role in rebuilding war ravaged economies of Europe and the US following the two World Wars. John M. Keynes talked of such government interventionsas opposed to the laissez faire espoused by his predecessor Adam Smithwhich is what the IMF doesn't allow weaker nations to practice. The IMF rather ascribes the instances of poverty in the LDCs to too much of government interference and mismanagement.

If one must follow anticyclical approaches to neutralise the effects of economic bumps as they move from mixed economies to laissez faire ones, the essential remedy would be to accelerate toward the direction of the status quo. The IMF-imposed structural adjustment programmes in the LDCs are an antithesis to what professor Stiglitz's opinion in such regard is.

Man like professor Stiglitz stands out prominently due to over 2.8 billion people in the LDCs living on less than \$2 a day. There is another 1.2 billion that live on less than \$1 a day. Given that 44% of those destitute call South Asia their home, Stiglitz has enough reason to warn these nations of the consequences that they might encounter while free wheeling toward market economies without thinking of its consequences.

Take for instance the case of Thailand. In the second half of 1996 and in early 1997, Thai Baht experienced three episodes of speculative pressures, resulting in the substantial reduction of capital inflows into the Thai economy from \$22 billion in 1995 to \$17 billion in 1996. The international credit rating agency, Moody, downgraded Thailand's credit rating following this reduction (in September 1996). The Baht thus busted and the IMF had to come out with a rescue package to salvage the Thai economy from a total collapse.

The Thai setback had a domino effect in the region and wiped out much of the region's liquidity by mid 1997. A June 1997 survey of the region's economic health indicated a total regional debt (minus Japan) of \$340 billion to various international banks. Most of it, about \$242 billion, had a maturity of less than a year. Private sector interests held most of the debts with nearly equal amounts owed by private companies (\$188 billion) and banks (\$171 billion).

Professor Stiglitz also said that the "US put pressure on Korea to open up its capital market." He added, "But then the market sentiment changed and there was a run on Korean fund." Who to blame for this Korean setback? Professor Stiglitz blames the IMF's macroeconomic poli-

As the IMF is faulted with imposing macroeconomic prescriptions on the LDCs, one often fails to analyse the microeconomic performances of such nations amidst external pressures. The microeconomy too is negatively impacted by the government's desire to accumulate forex at the expense of truncated public spending and by the reduced demand from household as massive competition flowing out of globalisation crowds out nascent and weaker domestic industries and inflate the number of jobless people.

As nations surmount such painful difficulties, sane voice like that of Professor Stiglitz's sounds like music to our ears. It however does little to stem the tide of globalisation that seems irreversible in a capitalism-run world order.

Bangabandhu's 28th Death Anniversary Special

The military legacy of August 15

VERY nation experiences vicissitudes in history as unexpected political eruptions can change the course of events and distort perceptions. In South Asia, assassinations of Mahatma Gandhi and Sheikh Muiib stand out as exceptional aberrations since both the leaders steered their nations toward independence and least expected such tragic ends

The dawn descended on August 15, 1975 with a different sun- shine in various military garrisons of Bangla-Members of Bangladesh armed forces learnt that morning that a faction of their fellow mem bers had overthrown an elected government, killed the leader and took over power by disavowing the very command structure they were trained to obey unto death.

One would have expected such a moment to be accompanied by counter-moves to quell the mutineers, but the day rolled on without any such attempts by competent authorities in the military's chain of command. The incidence carried with it something ominous than what met the eyes although the mutineers interpreted the passive silence as a vindication of the mayhem they'd orchestrated before the day- break. For astute obseryers, however, it symbolized the helplessness of a nation suddenly divested of political authority.

Historically, the mutiny on 15 August fits into a classical model. It. however, rivals other mutinies due to the uniqueness of its ferocity, cruelty and barbarism. It's also conspicuously distinguishable from many uprisings that had marred the history of this region beginning with the Bengal army's first revolt against the British Raj in 1857 through the mutiny of Bengali soldiers in 1971.

In 1857 and again in 1971, the Bengal army ruptured the chain of command to express anger against alien colonial powers. In 1975, Bangladesh army killed a leader who'd freed the Bengali nation from

Seldom will one come across a nation that will stand idly by to witness its founding leader gunned down, its government dislodged and family members of the leader massacred with extreme cruelty. Yet, on 15 August 1975, the armed forces of Bangladesh helplessly witnessed the rupture of its chain of command, arrest and removal of its chief of staff and the bulldozing into oblivion of the entire political leadership of the country.

In the following piece, retired military officer and diplomat, M. Shahidul Islam (also author of two books on the politics of Bangladesh military) looks back at the military significance of that fateful day and reminisces the legacy that still hovers over the military's morale and discipline.

an alien domination. The mutineers that day moved independent of their chain of command -- with a flawlessly crafted plan shrouded in extreme secrecy-to mercilessly kill Sheikh Muiib and most of his family members. And, their decision to replace Mujib with Mustaq indicated the extent of divisiveness that had permeated the leadership of the Mujib regime and its military command hierarchy

Mujib and military

To posit that 15 August occurred in a vacuum is to negate the underlying interactions between causes and effects in any socio-political upheaval. The Bangladesh military then, was a hybrid coalescence of elements with diverse motivation and doctrinal denomination. The heterogeneity of the force's composition was exacerbated by the ineptness of its leadership that lacked in requisite experience. Many of the military's top brass comprised officers catapulted from majors to major generals to fill the vacuum created by the captivity in Pakistan of senior officers who would have joined the war and formed the basis of a national army along with other freedom fighters. Consequently, at the dawn of independence, the military was a hybrid force with hung command.

In the civil polity too, student leaders of vesterday turned cabinet ministers likewise and demagogues masqueraded as leaders. Economically, Sheikh Mujib took the reign of a tattered nation awaiting reconstruction from war ravages; amid a

run-away inflation that ran as high as 300 percent at times. Mujib also faced stiff resistance internally from radical elements like the JSD while the nation's international friends were few and far between.

Countries that stood by Bangladesh

constituted a pool of cash-starved nations branded as socialistic due to the Cold War's partisan impact on them as allies of the USSR. Viewed by the world as a clientele of the Indo-Russian axis in the hotly contested bipolar world, Dhaka's

isolation was painfully troubling, but almost unavoidable Of all the foreign friends, Marshal Tito of Yugoslavia loved Mujib as a charismatic hero among third world

> leaders. Tito's generosity endowed Muiib with massive military contrioution that arrived from the former Yugoslav republic to build the military from the scratch. As Mujib banked on his newly built military machine to act as a saviour

of national sovereignty, a section of the military teetered with vengeance ever since his decision in 1972 to create a paramilitary force known as Rakhi Bahini. The military viewed this auxiliary force as its rival, vying for the budget and perks that the military alone should have had a monopoly over. The polarization of sentiments on

this and many other issues was aided by the prevalence of widespread poverty, unemployment and a slow pace in necessary reconstruction of the war ravaged nation. The prevalent handicaps of the regime aided the mutineers to proceed with their desired plan.

Command channel upstaged

The rupture of the chain of command left an indelible mark in the psychology and discipline of men in uniform. The helplessness of General Shafiullah, then Chief of Army Staff (CAS): General Zia's elevation as the new CAS; dominance of the nation's polity by the mutineers and

quent counter putsch by General

primary responsibility of managing

an election in a free and fair manner.

nation. The dynamics of institutional

distortion have a momentum of its

own and three successive elections

a failed nation. The politicisation of soldiers further cracked into open as troops revolted on November 7 under Colonel Taher-- a retired freedom fighter officer of distinctionand managed to rescue Zia from captivity.

conjured up the dreadful imagery of

Zia and Taher were men from different poles; Taher an ideologue of the JSD and Zia a disaffected soldier stung by the pain of his relegation of status as Mujib chose his junior colleague, Shafiullah, to fill the slot of the new CAS. However, the Zia-Taher honeymoon did not last long dispassionate relationship between the two reached a fever pitch within months and Zia obliterated Taher by hanging him by the neck a year

Despite Zia's dramatic entry and a meteoric elevation into the army's and the nation's leadership, instability in the military persisted for years, manifesting frequently through a number of coups and mutinies, including Zia's assassination by a group of officers on May 31,1981. Of the major factions in the military

the freedom fighter and Pakistan returnees were in the forefront of the jockeying that had dominated the early 80s political reality. Following Zia's death, General Ershad made a last ditch attempt to restore discipline in the military, but his endeavours were tainted by his own design to usurp the constitutional mandate vested onto the top ranking soldier of the nation. It thus became a suspect from the outset.
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NOTICE Under unavoidable circum-

talk" scheduled for today will

concluding the most celebrated tria

of the murder case certainly does

stance the article "Washington

consensus-II: How free is free

market" and the column "Cross

The tragic assassination: Its impact on the nation

NURUL ISLAM ANU

SSASSINATION or loss of human life through lethal acts is inherently violent and disruptive. It violates the basic foundation of individual or social existence; its brutal character results in immense amount of individual misery besides proving an irritant to a deeply held value of social cohesion and tranquility Killings have, therefore, been decried by humanity through generations; religious sanctions against it are absolute and unequivocal. It is disdainful to universal human

Political assassination has wider and deeper ramifications since it means demise of an important political personality symbolising or dominating a process or a system. Inevitably it represents a violent overthrow of a system a society had opted for on the basis of its deeply held political and economic aspirations evolving over a long period of time, often at a considerable cost.

In the case of Bangladesh it was a system just born, trying to define and articulate the values of a secular democratic country with a compelling commitment to economic justice in an atmosphere of pervasive poverty and social inequality. Given the background of its colonial association with Pakistan and the international geo-political reality surrounding its birth -- the challenge was overwhelming -- the task of social and political engineering extremely complex. The demand was on the creativity of the leadership to define the fundamental character of nationhood, create the basic character of the political edifice and institutions that would provide permanent sustenance to it. Those were critical demands.

The nation was trying to get defined the Constitution of 1972

laying the basic political foundation of the Republic. The writer of this column feels obsessively nostalgic about that period of nationbuilding because of his close proximity to the centre-stage where the drama was being designed, rehearsed and enacted. In an atmosphere of near anarchywith a fragile civil administration, with arms being brandished indiscriminately, with pockets of warlordships ruling -- a reasonably effective civil rule was established to satisfy the requirement of its sovereign existence. Membership of the world community was legitimised by entering the United Nations. Entry into the global economic order was achieved by becoming member of

The tragic event of August 15 was a lamentable attempt to usurp the sovereign's right of ownership of the constitutional process and arrogate a dubious claim of patriotism to a senseless bunch of armed adventurists devoid of an insight into the complex process they were ostensibly trying to revert. Bangabandhu's entire political career stretching over 30 years represented a process which he admirably symbolised. An overwhelming sense of patriotism, deep love for the commonman and his rights, respect for a political process as a tool for social change, a high level of political integrity, indomitable courage and determination to

military dictator indulging in a manipulative process to create a sham political order. The process has always been expedient and characterised by: ** A corrupt manipulation of the

existing political process by indis-

criminate abuse of political and

economic patronage that the

usurper suddenly finds himself in mmand of. ** A ruthless use of the instruments of oppression to assist the

above process The result of the above twin process is the creation of an authoritarian political order with a veneer

have not been able to lift the nation to a desired level of electoral satis-

This process because of its inherent malignant character is no respecter of institutions. Devoid of a philoof constitutionalism attached to it. sophical realisation that every Political evolution of Bangladesh

atmosphere

This leaves a legacy of a pervasive not generate the desired level of confidence in the system. of mistrust at the nighest political level- with the ghost An usurper indulged in an indiscrimof a politicised bureaucracy and inate use of state power to distribute economic benefits to his cronies machinery haunting the soul of the leading to a culture of economic

cronysm distribution of financial favor becomes selective to those serving his interest. Plundering of scarce resources with no productive input to the economy becomes the order of the day. A "default culture" is born under state patronage which survives and sustains itself by the sheer strength of the financial muscle power the defaulter is able to command. It distorts the financial sector and the flow of scarce capital

to productive investment is inhib-

ited. The nation gets stuck up with

multilateral donors lecturing every-

day to set house in order. A constitutional system or process depends on a very delicate balance of consensus reflecting certain values held by that very dearly. The disruption of that balance has inevitably been counter productive . Indonesia and Pakistan in Asia, Chile in Latin America, host of countries in Africa like Nigeria. Kenya have been victims of this

counterproductive process. Nation-building or social reconstruction can never be a product of expedient adventurism of the few. It is a collective endeavour heavily principled by values reflected in a

In remembering a great man's tragic demise on this day, a man who politically fathered the republic at the cost of enormous sacrifice, a little reflection on these issues mentioned above, may provide a

Author is a former civil servant.

A constitutional system or process depends on a very delicate balance of consensus reflecting certain values held by that society very dearly. The disruption of that balance has inevitably been counter productive.

facilitating formation of the Aid Group committed to Bangladesh. More significantly, a democratic secular constitution was being given a try. Institutions -- a parliament, an administrative network, a judiciary were being built and getting established. The philosophy underlying the economic management of the Republic was being articulated.

Commitment to a democratic order and its subsequent degeneration into authoritarian experiments and ideological derailment from the main goals of the revolution have been observed in many emerging democracies. This has happened because of an inherent disrespect to the core philosophical content of that established order -- the sovereign's inviolable right to change in the event the sovereign finds an elected trustee delinquent in the discharge of his or her responsibilities.

the world Bank and IMF ultimately sacrifice characterised this process. from 1975 to 1991 bears an illumithe law enforcement machinery is a Any indication of political derailment by him from the principal goal of the trusteeship must be a matter of political justice for the sovereign the common man-who has been the most judicious arbiter of his political destiny. A conspiratorial indulgence in a violent assassination based on a questionable claim to patriotism by usurping sovereign's right is morally unacceptable. The right to that ownership is absolute, inviolable and sacred and the exercise of that right must be the sovereign's absolute discretion. Any infringement on that right without his consent is an illegitimate act of usurpation and therefore inexcusable.

Such acts of armed adventurism committed in the name of a confused deviant future has almost inevitably led to a disastrous counter-productive process. It has always meant an unscrupulous nating witness to this classical replay of post revolution military adventurism. The first casualty was the sover-

eign himself he stood practically disenfranchised for 15 years; he was subjected to a shameless parade of sham referendums to legitimise the rule of the dictator. The common man lost his confidence in his or her right to vote and a monstrous culture of the abuse of the entire electoral process was born black money and terror being the most debased sustaining base of that culture.

A rescue package for restoration of the sovereign's right to vote had to be designed through a movement with the innovative constitutional experiment of a "Caretaker Government" coming into play. Inherently it is an admission of failure of the existing political system to fullfil a servant of the republic engaged in a public service, his anonymous character has been under a ruthless assault with disastrous consequences for its image, integrity or level of efficiency. Judiciary, as the ultimate refuge for

the protection of the common man or protector of a democratic system has not been able to avoid the wrath of this degenerative process. The controversy surrounding the integrity of the process of judicial appointments and its constitutionality -- with scenes of lawyers fighting in courts to enforce boycotts -- are sad spectacles indicative of the degenerative process. No public institution -including the highest court of a land is supposed to operate outside the overwhelming weight of the "Social Conscience" and in that context the repetition of a series of " Embarrassments" expressed by judges in

constructional set-up. There is no short-cut to statecraft.

fitting tribute to his departed soul.

"Finale to the trial will heal a sore"

An interview with M Mujibul Huq, former Cabinet Secretary

KAUSHIK SANKAR DAS

Daily Star (DS): What do you think were the implications of the assassination of Bangabandhu Sheikh Mujibur Rahman for the

Mujibul Haque(MH): This is a very delicate question and you can't really pinpoint them by one answer. It's a multifaceted question, you have to look at the background of the time. Bangladesh had just bathed in blood in order to be free, war of liberation had just ended. Bangabandhu was in the prison, then he came back to take up the reigns of government. He had been at the vanguard of the struggle for emancipation right from the days of the six-point movement. By the time, the liberation war began, he had become the unique leader of the Bengali people. The political aspirations in particular found an expression through him. And then the genocide started, military crackdown began and

the history thereafter is well known. Why Bangabandhu got arrested and didn't go over to another country or why he didn't stay here and take up arms or didn't take up the leadership of the actual fight for freedom is a question which has raised lots of controversies. We could go into it or not. Suffice it to say though that Bangabandhu, to the extent that I knew his mind from personal relationship with him, was a politician of old times, he was a disciple of HusSain Shahid Suhrawardy; he followed the tradition of Fazlul Hug, Moulana Bhasani. He was not a revolutionary leader, he always fought for constitutional democracy. So that was a very delicate time for him. My own idea is that this conflict within him prevented him from joining the armed struggle and leading the revolution physically, he

chose to be arrested.

DS: After the independence, when he came back and became the Prime Minister of the country, these traits you have just mentioned, like his being a non-revolutionary leader etc, were they instrumental for the situation that

prevailed in the country at that time? MH: Yes, to a great extent, in my view what you have said is correct. The fact is a bloody revolution had taken place, a full-fledged freedom fight had taken place, it all happened under the banner of his name, but he was languishing in a jail. He did not give this leadership himself in the actual battlefield of Bangladesh. And that could remain a weak spot for any leader, even if he was the father of the nation, a complete leader. He did not take up arms, he did not participate actively, his followers took up arms -- that void remained in him. But he was a dedicated sacrificing leader, he was a people's leader, he was a revolutionary leader without arms. He could lead thousands of people, but he wouldn't fire a shot himself. That was the kind of politician

DS: But what led to his unexpected and brutal

MH: When he came back from West Pakistan, he tried to weld this nation into a politically and economically viable country. He had the loyalty of the freedom fighters and ordinary people alike. But he failed to secure assistance of right people. Besides, America, China and others were against the liberation of Bangladesh. These factors and economic conditions put together made his task exceedingly difficult. And then the political dissatisfaction within his own party, among the so-called leftists of those days all these made for an uneasy political and economic situation in the country.

DS: But why could a leader of his stature and experience not rise to the expectation? MH: That is a 64 million dollar question. The

fact is Bangladesh's potential was very limited at that time. There was food shortage, all the non-Bengali industry owners had left, industrial units became abandoned properties. Any leader would have found it extremely difficult to bring order in such circumstances. Therefore I would say that Bangabandhu was very frustrated. In this frustrating situation, he did not know what to do. You can say that it was his failure to deliver goods. Then suddenly a group of advisers, I wouldn't know who they were advised him to adopt an East European model to run the country. Therefore I remember at one stage Bangabandhu clearly said in a public speech that he was thinking of cooperatives to be devel-

Whether they were practical or not then was immaterial, he was looking for something where he could get an answer. His mind was toving with ideas presented to him by various groups of people. And he created for BKSAL. That to my nind, was very crucial stage in his career, reputation and personal life and for what he was and what he was not. It mentally alienated him from the people of Bangladesh by and large. I could be wrong but people of Bangladesh could not identify with this concept. They were used to democratic parliamentary administration, not a socialistic concept of running a government.

DS: But why and how did the armed forces get involved?

MH: In the kind of situation that I was describing, this was probably considered as the best time for some adventurist youngsters in the

army. How much they understood and made an assessment of the situation I don't know, but this was probably the time they chose, which might be a coincidence. I say it hesitatingly that those who struck and assassinated him probably thought it would be chivalrous.

DS: What kind of influence or implications did the assassination have on the administration immediately afterwards?

MH: The astounding thing is after the assassination of Bangabandhu, the beloved leader of people who might have done something not approved or liked by many, that nothing very conspicuous happened after his assassination. The nation was shocked undoubtedly, but it will remain a puzzle why not a single section of the people didn't rise up. It's a mystery why some die-hard Awami Leaguers who were freedom fighters, who took up arms in his name and were very much loyal to him, didn't come out.

DS: Could it be that they were afraid to come out because of the nature of the assassination? MH: It was not very clear at that time whether the entire army was behind the assassination. So it would be difficult to say whether they were really scared or not to rise against the assassina-

DS: How did the subsequent military governments perceive the assassination into their way of thinking?

MH: We know that there were coups and counter coups in the following few months, but starting from the day of the assassination August 15 till November 7, uncertainty prevailed. One never knew what one was doing, those who were doing these things themselves, even those who assassinated him were uncertain. They had no future plans. The governance was running on a

day to day basis. All of us were in a puzzle. After November 7, General Ziaur Rahman gradually, rather haltingly, came to power and felt comfortable with it and consolidated his position.

There was not one opinion nor were there total views of things. People had different views within the government. They dropped the issue of the assassination like a hot brick. They thought there was no point in raising the issue any longer. They put the issue under the carpet. DS: But why?

MH: Because within the government, the issue was not allowed to be raised since it portended controversy. Everyone pushed it under the rug. There was no question of the assassination of Bangabandhu being a topic of the day. It basically ceased to be topic within the government that was led by General Ziaur Rahman. He became busy reorganising the government in his

DS: In the 33 years of Bangladesh, martial law administrators ruled almost half of it. Did the assassination of Sheikh Mujibur Rahman contribute to the long history of martial law in the

MH: Partly yes. The assassination as I said earlier was an adventurism. Those who did it probably thought that they would bring in martial law to rule the roost. But they couldn't because General Zia had an upper hand and he ousted them. And they failed to govern the country themselves. General Zia, who was a freedom fighter and a successful military officer, did want to become a national leader and he made his best efforts to become one. To what extent he has been able to achieve that position only

One thing is for certain, if Bangabandhu would

not have been assassinated, there would have been no need of martial law in the country. It would have been like an East European society. Whether it would have brought us more democracy, better governance, better life that I don't

DS: Lastly, the Bangabandhu murder trial that's been continuing for quite a few years now, what kind of need is there to see a conclusion of this trial in terms of our in terms of our political and social culture?

MH: Firstly, there is an emotional feeling for Bangabandhu in the country, secondly a mighty party like Awami League has special interest in seeing the conclusion of this trial. So if the case is not solved and remains hanging for a long time, the chasm between the ruling BNP and Awami League will remain as big as ever. It can only be overcome with the conclusion of the trial. One could have a concluding finale if the judicial stage is hastened and it should be accelerated. At least a past sore will be healed and new grounds will emerge for the two parties.

I would like to stress here that the case can be solved and closed only when there is a final judgement declared by the court in the best iudicial tradition and principles of which we are often so proud. At the same time both parties should come forward realising that not keeping this issue alive is in the best interest of both of

Interviewer is an Assistant Editor, The Daily Star