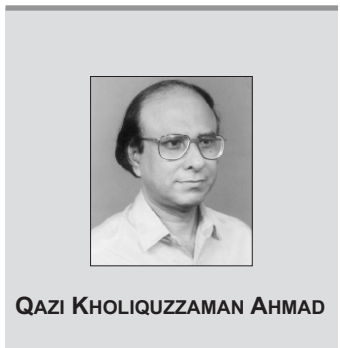


Ruling neo-liberalism, stumbling poverty reduction-III



QAZI KHOLIQUZZAMAN AHMAD

THIS concluding part of the article, i.e. Part III, addresses the issues concerning the relevance of globally determined goals, targets, and strategies to particular developing countries and Bangladesh's poverty reduction strategies, past achievements, and future prospects.

The poverty levels and dimensions as well as access to assets of all types (human capabilities; natural resources; access to income and services; domestic resources; access to foreign aid and foreign direct investment; agricultural and industrial production, diversification and productivities; export earnings and potentials; import capacity; unemployment and under employment; wage rates; remittances by nationals working abroad) on per capita terms, or as a proportion of the GDP or of population, or with reference to norms, as the case may be, differ widely from country to country. Hence, the globally determined Millennium Development Goals (MDGs) and the associated targets or other globally determined goals and targets cannot be uniquely appropriate for all the developing countries.

It is possible, therefore, that enjoining, for example, the same MDGs and the associated targets upon all the developing countries by the international promoters of these goals and targets would entail disregard on the latter's part for various country-contextual realities. But it does not involve arrogance as has been the case with the Washington consensus-based free market reforms and structural adjustments, which all the aid receiving countries have been required to implement. The goals and the targets are paradigm neutral -- that is, they do not embody a paradigm shift while the Washington consensus has brought about a far-reaching one.

Regarding free market reforms, experiences arising from the reforming developing countries around the world testify that the outcomes (such as limited increase or reduction in per capita income, limited access to quality services, persisting high levels of poverty, and accentuating disparity) have been such that not only economic growth and social development have not accelerated appreciably in most developing countries but many of them have in fact suffered setbacks.

The MDGs and the associated targets can, however, serve a useful purpose by providing a global reference compact for the developing countries around the world to measure against and compare their progress or lack of it, thus measured, in respect of the different aspects included in the compact. But, each country needs to set its own goals and targets with reference to the realities (social, cultural, economic, environmental, governance, resource endowment, actual and potential exports and imports, and so on) it faces. Thus set, the goals and targets should be more relevant to the context of the country concerned and, if determined through a participatory democratic process, will also be owned by the people of the country. However, while the setting of goals and targets can thus be nationally orientated, it is the overall policy framework and the processes through which the goals and targets are to be achieved are of crucial importance. Obvi-

ously, the Washington consensus, i.e. neo-liberal free market, rules and provides the overall policy framework and the reform agenda -- basically the same for all developing countries including Bangladesh -- within which the goals and targets are to be achieved by the countries concerned.

According to the Interim-Poverty Reduction Strategy Paper (I-PRSP), Bangladesh has adopted the MDGs and the associated targets in setting its poverty reduction and social development goals and targets to be achieved by 2015 with reference to 2000, which are to: reduce the number of people living below the poverty line by 50 per cent; attain universal primary education for all girls and boys of primary school age; eliminate gender disparity in primary and secondary education; reduce infant and under-five mortality rates by 65 per cent, and eliminate gender disparity in child mortality; reduce the proportion of malnourished children under five by 50 per cent and eliminate gender disparity in child malnutrition; reduce maternal mortality rate by 75 per cent; and ensure availability of reproductive health services to all women. As postulated these poverty reduction and social development goals and targets are to be pursued within the ruling neo-liberal framework.

In the poverty related documents of the Government of Bangladesh, poverty studies on Bangladesh conducted/sponsored by multilateral agencies such as the World Bank and the UNDP, and poverty

non-food consumption. Having noted the main reasons why there exist a range of poverty estimates for Bangladesh, let me move on to review the latest available (for 2000) estimates of poverty and extreme poverty ratios for the country generated by the Bangladesh Bureau of Statistics and the World Bank following the cost-of-basic-needs (CBN) approach (that combines the costs of minimum food consumption to meet the basic calorie requirement plus an estimated upper non-food allowance for estimating poverty ratio and an estimated lower non-food allowance for estimating extreme poverty ratio). These ratios, for 2000, are: 50 per cent and 34 per cent respectively (see World Bank, Poverty in Bangladesh: Building on Progress, 2003).

In respect of both poverty and extreme poverty, the reduction during the 1990s has been just one percentage point a year (declining, respectively, from 59 per cent and 43 per cent in 1991/92 to 50 per cent and 34 per cent in 2000). Assuming that there has been a reduction of one percentage point a year since 2000 in both the cases, the poverty and extreme poverty ratios for 2003 would be 47 per cent and 31 per cent respectively. Accordingly, the number of poor and extremely poor people in Bangladesh in 2003 would stand at 63 million and 42 million (the estimated total population in 2003 being 134 million, having increased from the Population Census figure of about 130 million in 2001, growing at 1.5 per cent per

annum). These are, indeed, very large numbers. But, if we accept UNFPA's estimate of Bangladesh's current population of 146 million, the number of currently poor and extremely poor people in the country would be even larger at 69 million and 45 million respectively. We often tend to forget that the poor are real people -- not just numbers and percentages. They include landless people, casual wage workers, self-employed in agricultural and non-agricultural pursuits of various types, industrial workers receiving low wages, low salaried employees in public and private sectors, and the un- and underemployed. Largely, they are illiterate or have not completed primary education and live in kutcha houses of poor conditions or in urban slums, with little access to sanitation, health and other basic services.

Regarding human poverty reduction, available estimates show that the pace has been somewhat faster, with the ratio having declined from 61 per cent in the late 1980s to 35 per cent in 2000 (see BIDS, Bangladesh Human Development Report 2000). As pointed out earlier, the dimensions taken into account are health, education, and nutrition -- very narrow compared to the dimensions of human dignity as enumerated earlier. However, the improvement achieved in respect of the three dimensions included in the human poverty estimation is indeed encouraging; it implies somewhat better human living and somewhat improved human capabilities. Compared to income poverty reduction, how could such faster human poverty reduction take place? Probably, to a large extent, it has been due to transfer payments received in-kind (not taken into account in income poverty measurement) by the poor from government and non-governmental sources and/or improved aware-

ness regarding the usefulness and efficacy of education, good health, and improved nutrition and as to how to achieve more in these regards with the available resources and through behavioural changes. Regarding future human poverty reduction through similar measures, there is a question mark as to whether the in-kind transfer payments can be enhanced or even maintained? Also, one can go only so far with the available resources. More resources are necessary for accelerated and sustained improvement.

But, even economic growth could not be accelerated beyond an average of about 5.4 per cent per annum since the mid-1990s. The reasons for not achieving better results in this regard include the following: confrontational politics; bureaucratic hurdles; stagnant overall investment and low FDI, which has sharply declined further recently; inadequate infrastructural facilities including electricity, telecommunication, and port facilities; limitations in management capabilities; and unfavourable socio-economic environment as a result of widespread and increasing corruption, crimes, and criminalisation; preponderance of finance capital, corporate governance problems, and low productivities in the productive sectors; and adverse impact of precipitous liberalisation, particularly on small and medium enterprise sectors. There is no sign of these constraining factors abating within the framework of neo-liberal

ing elusive. The already high inequality has significantly increased during the 1990s within both urban and rural sectors. The Gini coefficient, showing inequality in the distribution of private per capita expenditures nation-wide, has increased from 0.259 in 1991/92 to 0.306 in 2000. One can also point out that the income share of the poorest 20 per cent of the population declined from 6.52 per cent in 1991/92 to 4.97 per cent in 2000, while that of the top 20 per cent increased from 50.8 per cent to 65.02 per cent during the same period. Again, land being the main source of income for the large majority of the people of Bangladesh, landownership pattern is closely linked with poverty in the country. As of 2000, 48 per cent of the population owns no land or at best 0.05 acre per capita. If the cut-off acreage is raised to only 0.50 acre, the proportion of the population owning less than that is 61 per cent. Landlessness is thus pervasive in the country. In addition, small holders owning 0.5 to 2.5 acres account for another 26.7 per cent of the population. (See World Bank, *op. cit.* and Ministry of Finance, Bangladesh Economic Review 1999)

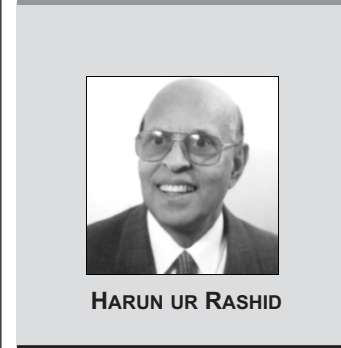
If human dignity (as defined earlier) for all is the ultimate goal, then the analysis may be started with human dignity considerations. The narrow indices of human poverty and income poverty may then be assessed. Alternatively, one may start the analysis focusing on income poverty but should then go on to assess human dignity-based poverty. Appropriate policy conclusions for cohesive, vibrant social progress can be drawn only if the analysis is carried through the whole spectrum, focusing on human dignity for all as the ultimate goal.

But, in the materialist, freely competitive world of neo-liberalism, human dignity of billions of people around the world, particularly in the developing world, is being shortchanged everywhere all the time, as the inevitable consequence of the dynamics of the ruling paradigm. Bangladesh is a glaring example in this context. Currently, no estimate of the proportion of Bangladesh's population below a human dignity line is available; but, undoubtedly, an overwhelming majority of the people of the country would belong to that category.

The upshot of the analyses presented in this and earlier parts of the article is that the ruling neo-liberalist paradigm is very unfair and divisive and has been unleashing forces that have already generated confrontations in many places around the world. There are signs that the process will eventually lead to large-scale socio-economic-political upheavals and disruptions within developing countries and internationally. This is now an increasing realisation about such a scenario developing and, consequently, major challenges to the paradigm have started shaping up in different parts of the world. A worthwhile alternative paradigm is sustainable development which, as defined in Agenda 21 adopted in the 1992 Rio Earth Summit, places human beings at the centre of the stage within an equitable, inclusive framework. Operationalisation of this vision in a country can be achieved through participatory democracy that can ensure equitable, effective participation of all its citizens in social, economic, and political processes of national transformation, assigning appropriate roles to the state and the market based on the prevailing realities in the country concerned.

Dr. Qazi Kholiuzzaman Ahmad is President, Bangladesh Economic Association (BEA), and Chairman, Bangladesh Unnayan Parishad (BUP)

A new international order may emerge out of the Iraqi mess



HARUN UR RASHID

SINCE the collapse of the Soviet Union in 1991, the balance of power in the global system has been missing with the US left as the lone superpower on the world stage. The world is in a unipolar phase of international history. This is a very unusual situation. Its parallel was Roman Empire two thousand years ago.

From the days of the Spanish Armada to those of Hitler, it was Britain's role to ensure that no European power dominated Europe -- Spain, Austria, Napoleonic France, the Kaiser's Germany. At present France appears to have taken Britain's role as a leader of the anti-hegemonic stance, the US being the new hegemon. French President Jacques Chirac consistently advocated multilateralism as opposed to unilateralism in international affairs.

The US was able to undertake a major military operation in Iraq without the approval of the UN. It disrupted the Atlantic Alliance and the world order based on the UN Charter. It was a serious setback to international stability. The neo-conservatives in Washington had probably in mind the example of Kosovo war in 1999 in which the US was involved. They noted that in that war there were no casualties of US soldiers and the Balkan region was gradually transformed into what it is now.

To the neo-conservatives, the Balkans became a shining precedent for the Arab States in the Middle East. "Democracy by domino effect", it was called. If Iraq falls, other Arab States would look at the US with awe and wonder and fall in line. May be one day non-Arab country Iran may undergo a political change. What had worked in the Balkans did not work out in Iraq. The Middle East has a different history and culture and cannot be compared to those of the Balkans in Southern Europe. The transplantation of "domino theory" in the Middle East is totally misconceived. It is like growing a tropical fruit tree in cold northern Europe.

Iraq is in a mess. The people in Iraq do not have adequate electricity and water. The so-called "American liberators" have become targets for deadly attacks. Some commentators suggest that the "puppet" Iraqi Governing Council constituted by the US on the sectarian and ethnic divisions (Shi'ia, Sunni and Kurd) is not the right way to go about to unify a country. Too much emphasis on sectarian and ethnic divisions may eventually threaten the territorial integrity of Iraq. Already on 12 October, a Shadow Cabinet under the firebrand Shi'ite leader Muqtada Sadr has been formed in Najaf (180 km south of Baghdad) as counter to the Governing Council to administer the area.

The Bush administration faces staggering costs and casualties that were not anticipated. The neo-conservatives who ruled the White House seem to have quietly stepped aside. The White House could be worried that President Bush may not get a second term in November 2004 as his approval ratings with the American people are falling steeply. It is interesting to note that General Wesley Clark who led successfully the Kosovo war without any US casualties declared himself to be the nominee of the Democratic Party as against President Bush.

In recent days, President Bush

BOTTOM LINE
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constituted in the White House a new Stabilisation Coordination Committee to oversee Iraq under the National Security Adviser Condoleezza Rice. The Defence Secretary Donald Rumsfeld was sidelined and he even did not know the new setup. Those shiny days of Rumsfeld seem to be on the wane. The entire project of neo-conservatives for imposing a unilateral "pax Americana" on the world is in serious question.

The influence of the US Secretary of State Colin Powell on the White House appears to have been no more thwarted by Donald Rumsfeld, Defence Secretary and he started an intensive drive to win the support of the veto-carrying permanent members of the UN Security Council (France, China and Russia). Observers believe that the tide turned towards the US amended draft when China decided to vote for the resolution.

On 16 October a diplomatic truce was brokered over Iraq and the US amended draft resolution had been adopted unanimously for the sake of unity of the Security Council. The resolution (number 1511) is long and consists of 26 paragraphs and affirms that the administration of Iraq will be progressively undertaken by the evolving structures of the Iraqi interim administration. It also calls upon the Coalition Authority to report to the Security Council on the progress being made by 15 December, 2003. The resolution does not however prompt any nation to send troops to, or money for, Iraq because it did not require the US to yield power to the UN. Even Pakistan which is a Security Council member and which the US was counting on to make a military contribution did not offer any troops.

From the chaos of Iraq, it is possible that a new international order may emerge to secure international peace and security because of the following scenarios:

First, the US has come back to the UN to bail it out from Iraq. It is no longer seen to be an "ineffective debating society". President Bush in his weekly radio broadcast on 11 October said that the US remained "committed to expanding international cooperation in the reconstruction and security of Iraq". The 180-degree turn around of US policy after six months indicates the Bush administration is facing mounting pressure over the US military adventure in Iraq.

Second, the UN Security Council is the only forum to provide legitimacy for military operations, although it could not prevent the US from taking military action against Iraq. The US knows now that it earlier denied the stamp of legitimacy to its military operations in Iraq. This has been a blow to the mighty power of the US to see the relevance of the UN in legitimising the military operations in Iraq.

Third, the power and prestige of the UN appears to be on the rise. The fact that the new resolution was adopted unanimously for "the sake of unity of the Security Council" demonstrates that the members of the Council realised that the UN was being weakened by the division among its members. The Council under the Charter has the primary responsibility to ensure international peace and security and it must assert to play its due role.

Fourth, the UN Secretary General has become bolder than before

in his views about the proposed role of UN in Iraq and no longer toes the US line. He has realised that the UN involvement without the Security Council mandate in Iraq resulted in the tragic death of one of his close senior colleagues Sergio Vieira De Mello, the Special Representative of the Secretary General in Iraq.

Fifth, the concept of collective security in Article 51 of the UN Charter is conceived when a country is militarily attacked by another country. The September 11 attacks have shown that non-state actors (individuals or a group of individuals without State support) have become enemies of States. The unknown enemy has no national face. The prisoners taken by the US in Guantanamo Bay (Cuba) was reported to be of 40 different nationalities who lived in 60 countries. They are elusive and remain invisible for years. No country can combat global terrorism without active cooperation from other countries, say from Indonesia to Morocco. This has been a new phenomenon that threatens peace and security of all members of the UN.

Finally, the UN Secretary General has recently said that the UN is at the crossroads and needs reforms. Not only the composition of the Security Council does not represent reality of present global power structure but also the role of the Council in terms of the UN Charter in combating global terrorism appears to be totally inadequate. The Council needs to look again in addressing this serious issue that threatens international peace and security. Article 47 of the Charter speaks of Council's military functions through the Military Staff Committee which has been so obscure for almost 58 years that hardly anyone has even heard of it. Some commentators have suggested that the functions of the Military Staff Committee need to be seriously looked at so that the new unknown enemy may be eradicated with some sort of military burden sharing among the members of the UN.

Conclusion: The world's security problem cannot be resolved through unilateralism and Iraq seems to be the instance. The US has realised that unilateralism does not pay or provides benefits in the long run. What needs to be done is to construct a sort of safety net under the umbrella of the UN for all states against threat to international peace and security including global terrorism.

Meanwhile the root causes of desperation, frustration and poverty coupled with perceived sense of oppression and injustice among people in many developing countries including those in the Middle East require immediate attention from rich countries. It is the UN that has to be the centre for harmonising the actions of member-nations in the attainment of global goals. International peace and security is not divisible and therefore all states must make joint efforts to reduce the nationalist irritations that this unfamiliar phase of history is bound to generate.

Barrister Harun ur Rashid is a former Bangladesh Ambassador to the UN, Geneva.

Diwali--the festival of lights

PREM RANJAN DEV

THE sub-continental civilization is an unending procession of festivals. This statement is true, because when one sees Shivaratri, Holi, Teej, Gangaur, Baisakhi, Janmashtami, Ramanavami, Dussehra, Dipawali or Diwali, Ramalila, Durgapuja, Car procession Lord Jagannatha, Ganesa Chaturthi, Pongal-Sankranti, Onam, Buddha Purnima, Eid-ul-Fitr, Muharram, Nawroz, Christmas, Kaza festival etc., he is simply amazed not by their Pageantry alone, but also by the devotion and fervent feelings of those who celebrate them with great enthusiasm.

Dipawali or Diwali, one of the biggest and grandest natural festivals of Hindus, is celebrated in the month of Kartika (October-November). This year the occasion coincides with 24-25 October. Dipawali literally means row of lamps -- the 'festival of lights'. In fact it is a five-day long festival, but the main celebration takes place on the day of Dipawali. One myth says that on this auspicious day, 'Lakshmi' the goddess of wealth and good fortune roams about and visits the houses of people. So, people tidy up their houses, establishments and shops and decorate them lavishly to welcome Lakshmi. In the night she is worshipped with great devotion. The occasion also commemorates the triumph of Lord Rama over Ravana, and Rama's return to Ayodhya. It is also on this day that Lord Krishna killed the demon Norkasura. On this new moon night Hindus

in the eastern part of the sub-continent celebrate 'Kali Puja', worship of the goddess of destruction or evil.

The 'Skanda Purana' refers that people worshipped Bali on the night. They drew his image on the ground with different colours and worshipped it with fruits and flowers. They were also to give presents in his honour and light lamps. King Harsha has described it as 'Dipapratipadotsava' in his 'Nagananda'. According to him, brides and the bridegrooms were presented gifts as paid of this festival. Rajasekhara in his 'Kavyamimamsa' has mentioned it as Dipamalika. The houses were white washed and oil lamps were lit in every house, street and the market place. Somadeva Suri in his 'Yasastitika Champu' says that on Dipawali, the palaces and other buildings in the city were decorated with white flags and rows of lights on terraces. In the evening temples, buildings, river banks, gardens and gateways were decorated with innumerable lamps.

Similar interesting details have also been provided by Merutunga in his 'Prabandhachintamani' and Hemachandra in his 'Desinamamala' and 'Dvyasrayakavya'. King Bhoja of Malwa in his 'Rajamartanda' described this festival as Sukhtrati. According to him, on this occasion, Lakshmi was worshipped at dusk and lamps were lit up on the trees, temples, roads, cremation grounds, river banks, hills and in the houses of both the rich and the poor. Jimutavahana in his 'Kavyaviveka' refers to this

Sukharatri-Vrata (the vow of a happy night) performed in the month of Kartika. Alberuni puts the occasion of the festival on the first of the new moon day of Kartika, Alberuni puts the occasion of the festival on the first of the new moon day of Kartika, when the sun reached the zodiacal sign of Libra. People bathed, dressed festively, made presents to one another rode of temples to give alms and play merrily with one another till noon. At night they lighted a great number of lamps. He also states that the cause of this festival was that Lakshmi, once a year, on this day, liberated Bali, the son of Vairochana, who was a prisoner in the seventh world and allowed him to go free.

It is not possible to describe at length about the many ancient, mediaeval and modern books on the Dipawali or Diwali. Dipawali is celebrated with equal zest by the Jains. According to the Jaina Harivamsa Purana, the members of the community joined the celebrations because it was the Nirvana day of Lord Mahavira, the twenty-fourth Tirthankara. The festival of Diwali is now celebrated every year also in America, Europe, Africa, and many countries in Asia by the Hindu and Jaina community living there.

Dipawali is not merely an occasions of congregation of men, women and children, but in fact it reflects the inherent feelings of the people of a great nation having a long historical and rich cultural background. Dipawali also marks the advent of new season and sowing of new crop-seeds. The new Vikrama calendar begins on

this day and account books are opened. The famous king Vikramaditya, after whom the era is named, was crowned on this day. People greet each other and distribute sweets.

On this occasion people ask for each other's forgiveness for the wrongs done knowingly or unknowingly and mutual relations are reestablished and strengthened.

We know that the Hindu festivals, fasts, rituals, holy baths and observance of sacred days are part and parcel of the great cultural heritage of the Indian or sub-continental civilization. They are great sources of spiritual and moral rejuvenation. The Hindu festivals are more than what they appear to be. They are essentially a way of living and thinking in the course of existence. A Hindu festival is cathartic in nature, and as a means of purification strengthens self-denial. It is more of an exploration of the colorful things of life, without being bound to or obsessed by them.

Dynamic spirituality and beauty of Dipawali can contribute so much to life and its fulfillment not only for the Hindu community but also for the humanity as a whole.

Prem Ranjan Dev is president of Bangladesh National Hindu Council.