

Post-Cancun priorities

HOSSAIN ZILLUR RAHMAN

AMONG Cancun's many lessons, one of particular relevance to Bangladesh was that feel-good strategy-making will not take us far in securing the benefits of global trade. The wistful tones in which Bangladesh official circles and their civil society counterparts continue to refer to the draft text and bemoan what might have been belie the true lessons of Cancun. Global trade talks are no civil society seminar and expectations of 'free lunches' are merely that, an exercise in naïveté. The gloves came off in Cancun and early signs are that the post-Cancun moment remains an intensely political one. The one resource which we now have to muster above all is political intelligence in forging a game-plan relevant to the unfolding possibilities.

The post-Cancun calendar has not been an idle one. USA has succeeded in weaning away a few of the Latin countries -- Peru, Ecuador, Colombia -- from the G20 plus block of developing countries which had emerged at Cancun. More recently, the African 'cotton' countries have succumbed to behind-the-scenes pressure and the cotton agenda has been withdrawn by the sponsoring countries like Benin. For their part, the G20 plus group has held on in the Cancun aftermath; they have already had a strategic planning meeting of Foreign Ministers in the Argentine capital. Other actors have also been active. World Economic Forum (WEF) has held a conclave in Singapore to extol the benefits of globalisation releasing a study to that effect. The expected shift of interest to regional and bilateral trade pacts has also materialised but the lead in this is being taken not only by the developed countries but also by key developing countries. Potentially the most interesting initiative has been the discussion of a giant Asia-wide FTA bringing together ASEAN countries with China, Japan, South Korea and Taiwan. We are likely to hear of many more such discussions; the Bangladesh-India talks are just one example of many. Discussions will not of course automatically lead to actual changes in trade arrangements; these only indi-

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cate the possibilities to pursue and benefits to each country will be determined by how intelligently and effectively each pursues its national interest.

The WTO process itself, however, is best described as a pause. Signs of active re-engagement on starting the stalled talks are rather scarce. The bureaucratic process is an even sharper indicator of a continuing stalemate: the Director-General has suspended all critical Committee meetings till clearer political directions emerge. The December meeting of delegations is not creating any great expectations. Indeed, privately all the signals are that none of the key players are rushing to pick up the pieces from Cancun. EU is officially in a reflective mode. The only thing which is perhaps sputtering on is the blame game. The recently-concluded APEC summit under pressure from developed countries such as USA and Australia has called for re-starting talks on the basis of the Cancun Draft. Predictably this has run into immediate opposition from those who opposed it at Cancun. Hard-headed political realists are betting that the WTO talks are unlikely to pick up momentum until after US presidential elections in 2004 and the formation of a new EU Commission in 2005. Indeed, a leaked memo from the Department of Trade and Industry of UK makes such a view almost official. The Doha dead-lines are the last thing key players appear to be concerned about.

Yet it would be wrong to conclude that the WTO process is dead. The preceding Uruguay Round exceeded its projected life-time by many years and this did not stop the dynamic growth of global trade. Cancun too in that sense was no end-game. No one can or will walk away from the reality of a globalised economy, neither the developed countries nor the developing countries nor the LDCs. Missed

dead-lines is not the real issue here; finding intelligent and just solutions to the issues which surfaced at Cancun is. What has dawned is the age of hard negotiations and only the determined and the prepared are likely to prevail in this scenario.

Bangladesh will go nowhere in this post-Cancun scenario if it remains hooked on the idea of free lunches or feel-good texts which are bereft of any operational significance. Charity at the WTO table is likely to be in even shorter supply in the future. The immediate challenge for Bangladesh is to leave this 'free lunch and feel-good text' mind-set behind. The faster official circles and their civil society counterparts wake up to this challenge, the better. It may also be wise not to bank too heavily on a resumption of talks on the basis of the Cancun text. This promises to be a key area of political contention as already evident from the APEC declaration and India's response.

Where Bangladesh has really to put its strategic energy is not merely in bureaucratic preparation for the December meeting in Geneva but rather in developing a game-plan which can best tap the unfolding possibilities. The post-Cancun priorities are strategic rather than bureaucratic and a missed dead-line is not the most important thing to worry about.

There are three broad post-Cancun challenges on which Bangladesh needs to be strategically engaged. First is the camp question. Sooner or later, Bangladesh will have to confront the question of its LDC future. LDC leadership remains more of a polite fiction than a substantive bargaining plank. LDC meets -- official as well as civil society -- are fertile grounds for feel-good strategy-making which keep on adding to paper goals and gains bereft of serious operational clout. The irony is also that the occasional largesse that the 'big boys' of the global economy may throw at the LDCs rarely show up

as livelihood gains for the poor of these countries.

How well are Bangladesh's long-term interests served by continuing in the LDC camp as it currently operates? Segments of the elite who are often the real beneficiaries of the 'free lunch' possibilities of the global economy are loath to forsake such opportunities. Time may have come, however, to tackle the issue head on. Commerce Ministry may do well to initiate a vigorous national debate on the issue of Bangladesh's LDC future and the wisdom of aligning with new groupings such as the G20 plus group of developing countries. Polite fictions such as LDC leadership will no longer do. Feel-good demands such as 'movement of natural persons' will also no longer do. Whatever demands are raised must be politically real and operationally significant in the context of the WTO process.

The second strategic priority is about non-WTO initiatives. One of the implicit threats USA, EU and other power players brandished at Cancun

was the switch to regional and bilateral trade pacts. Early fears that this would lead to the demise of WTO may eventually not be borne out. Meanwhile, two can play at this game. Thailand's Prime Minister has called for developing countries too to go on the offensive to explore and exploit the opportunities of regional and bilateral pacts. Not all options have to be pursued specially if it means being on the receiving end of a bad deal. But there is no alternative to switching to an active search mode. And not just active but also intelligent and prepared. Bangladesh has already been active in this area.

The third, and potentially the most important, post-Cancun strategic priority is not trade as such but the growth process itself which makes a robust trade regime possible in the first place. The simple lesson that, unless the tradables base is widened, gains from global trade remain limited is a lesson perpetually in need of being learnt. Today's domestic pro-

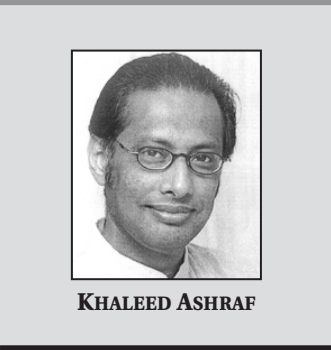
ducer may be tomorrow's exporter but this real-life insight finds little resonance in policy thinking. Domestic producers and the domestic market in general is the proverbial step-child for the policy-making elite. Infrastructural support, enabling policies, administrative backing, credit access, performance recognition -- all are woefully inadequate when it comes to local entrepreneurs, big and small. Policy-makers and elite civil society invest heavily in feel-good demands like 'movement of natural persons' but when it comes to the operationally required action task of skill preparation of the poor for the global market-place, the gaps are all too obvious. This neglect of the domestic producers and the domestic market is the true Achilles' Heel in Bangladesh's attempt to secure the benefits of global trade. A more meaningful WTO future demands policies and actions to regenerate our local economies and reorient education towards the creation of a more skilled work force. The people are ready. The elites -- in the government, in the political hierarchy, in the civil society -- need to respond.

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ABOUT CITIES

Dhaka is not a city



MY fourteen-year-old nephew was livid when I wrote in a *Daily Star* article that Dhaka is not a city. When I returned from a short trip to Kathmandu a few days later, he greeted me with some irony, "So, Kathmandu is not a city?" A friend later called in to warn me (I hoped jokingly) that the mayor is looking for me, and that I might consider banishment.

The article in *The Daily Star* (August 8) was a manifesto of sort, pointing out that Dhaka might be sporting more sparkling buildings and swanky automobiles, and a serious urban hustle and bustle, it is still not a city simply because it is fast losing its civility. A city without its civility is like a human without humanity. The manifesto went ahead to list the things that might be repaired to make Dhaka again a decent and civic place.

While we all love Dhaka city and make no bones about it, and get slighted by the slightest censure, we keep accepting and negotiating every day with increasing signs of the city's deterioration. And all in the name of progress. No city remains fixed in form and function, but at least we must have some sense of where it is going, so we may direct where it can go. It is not easy to do that when we get enamoured by a feeling of progress because of the hustle and bustle, and yet some of the very things that are exhibited as marks of building, progress and development can be the cause of a city's crisis. Such is the nature of the paradox: that we can undo a city by building it.

If piling building after building, next to each other, on top of one another, does not make a city, what does, and what is a city then? Perhaps the meanings of city in different languages might

give us some understanding. The term "nagara" has ambivalent meanings. On the one hand, it relates to the urban life, belonging to the town of buildings, etc., and, on the other hand, it describes what is clever and cunning. The "nagarika," for example, is someone adept in the pursuit of "kama" and "artha." Term with the suffix "pur" indicates a fort, while "ganj" a market. None of these terms suggest the idea of a civic polity, the spiritual and ethical

a place that guarantees any one right of residence and hospitality, and to recreate through work and creative activity a living and durable network of fulfillment.

So how do we know that Dhaka's civility is in crisis? First, there really is no vision for Dhaka, no plan for where we are going. What goes for a master plan are outdated and uninspiring instructions for zoning and building byelaws, even those are now defunct

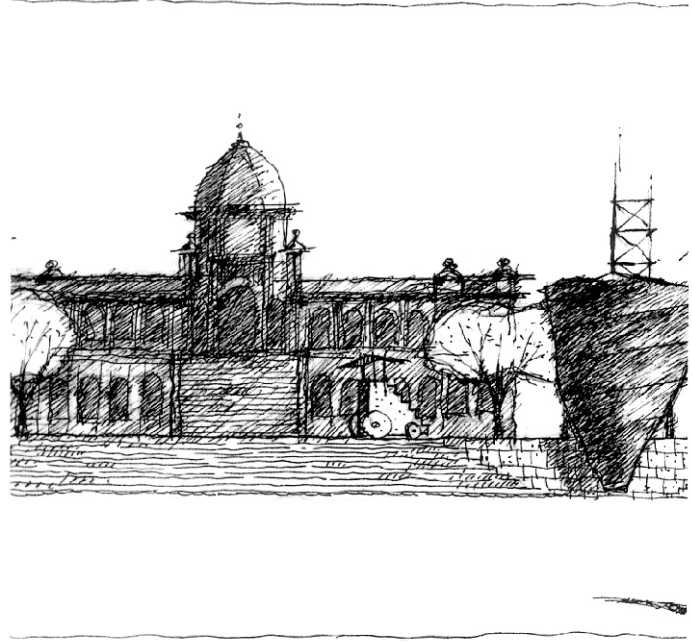
mark of a civility of a city revealing what the city patriarchs think about a fundamental human condition - the pedestrian and his humanity -- then Dhaka shows no such conception. Seventh, a city is not a just dreary place for minimal economic sustenance, it should be a site of inspiration catering to the mental well being of its citizens. Why shouldn't such notions as imagination, inspiration, and creativity be enshrined in the byelaws of the Master Plan? Eighth, even if housing defines the fabric of a city, its spatial and social matrix, Dhaka presents no innovative or exemplary models of residential living and mass housing, and no achievement in catering to the actual underprivileged citizenry. Ninth, and I think it is a hugely critical thing: Dhaka is witnessing a fast deterioration of its communities, of its cohesiveness and societal integrity. The idea of a moholla has collapsed, and Dhaka has become a city of fragments, broken down to the individual households living on their plots, in their walled enclaves.

Finally, and it's the most tragic one, people in Dhaka have completely forgotten where they are, that there is a river, and that perhaps Dhaka is like an island framed by three rivers, and that a river was the catalyst for the very birth of the city. A city that forgets its geography and its history is fated to face them again in more tragic ways.

Many a thing rests on making Dhaka a civic place. In the absence of a solid contemporary urban culture, Dhaka remains the sole model, ironically the city par excellence. Every small town, every nook and corner in the country wishes to follow Dhaka in some form or another. While there has been no serious comprehensive plan for Dhaka, there has been no plan whatsoever for other cities and towns. This is quite incredible when you realise that planning is paramount for any country with limited resources or land as ours.

So, is Kathmandu a city? On that, later.

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Sketch for the river bank near Ahsan Manzil with promenade and new buildings.

basis of collective living that describes a city.

The term "city" itself derives from "civitas," a Latin word with a cluster of meanings: citizen, civic, and civilization. As the city draws people from various ethnic, racial, and social categories into one space, and becomes a place where differences and complexities occur by definition, the most critical need for a city is a civilized mode for addressing and sorting out differences. It's a place where one may find one's personal and spiritual fulfilment in the company of others, uncoerced, and in the light of human dignity. The ultimate civic place is that ideal cosmopolis that becomes, in the way Jacques Derrida describes it, "a city of refuge,"

and useless. Second, the institutions entrusted with the planning and management of Dhaka have proven to be immensely dysfunctional, and rather ironically, aggravated the crisis. Third, Dhaka is a traffic terror. Our street manner has become a vivid manifestation of our general urban behaviour: self-centered, undisciplined, and life-threatening to others. Fourth, the state and extent of pollution in the city is nearly apocalyptic, and yet we carry on as if everything is sweet and sparkling. Fifth, open spaces -- urban spaces, water bodies, parks -- are the most important ingredients of a city, like lungs to the body, and yet they are vanishing magically in an avalanche of greed and manipulation. Sixth, if the sidewalk is a major

Putin doing his Russian roulette routine

A.H. JAFFOR ULLAH writes from New Orleans

VLADIMIR Vladimirovich Putin became a household name in his native land, Russia, in 1999 when President Boris Yeltsin appointed him as the prime minister of the country. Mr. Putin was only 47 years old when Yeltsin's advisor Anatoly Chubais had recommended Yeltsin to make him a Kremlin insider. In Russia, one has to be at least a sexagenarian to be considered for the high position of president of the country. However, Mr. Putin is an exception to that unwritten law. In the March 2000 elections Mr. Putin, the candidate for president and supported by Yeltsin, had received about 53 per cent vote. Mr. Putin became the next president and the rest is history.

Three years have gone by since Mr. Putin had assumed the control at the Kremlin and his sphere of influence had grown in the meantime. However, a mini-crisis is going on in Moscow centering on the arrest of a rich billionaire by the name Mikhail Khodorkovsky. Mr. Khodorkovsky is a no ordinary guy in Russia. He was the CEO of the giant oil company Yukus at the time of his arrest in late October 2003. The financial fallout resulting from the arrest of Mr. Khodorkovsky rocked the Russian stock market. Many Russia watchers in the West were concerned hearing the ordeal the Russian tycoon had gone through. The country had endured a currency market collapse not too long ago when Boris Yeltsin was at the helm as Russia was welcoming a market-oriented economy saying sayonara to centralised economy of the Brezhnev era.

Mr. Putin made a calculated decision to get even with some of the Russian oligarchs who were rich and powerful. These oligarchs are young who amassed wealth during Mr. Yeltsin's tenure as the President of Russia. As one may recall, Mr. Anatoly Chubais, a Leningrader, was the chief architect of the free-market economy. He had advised Yeltsin to sell many state-controlled factories and industries to usher in free-market economy in Russia. Mr. Khodorkovsky was in his late twenties when he started buying government properties at a bargain basement price. He was lucky enough to have bought an oil company. His estimated wealth is now

considered to be about \$ 8 billion. However, that did not make him a Kremlin enemy. It was widely reported in the West in recent days that Mr. Putin had made a secret pact with the emerging oligarchs of Russia not too long ago by virtue of which they were told to stay far away from politics. Mr. Putin knew that the nouveau rich oligarchs had the financial muscle to create problem for him. That is precisely the reason Mr. Putin told the oligarchs to mind their business and not become involved in politics. Mr. Khodorkovsky disobeyed

Russia has laws and courts whose help the Putin Administration should have sought to bring Mr. Khodorkovsky to justice. Instead, Mr. Putin had played a nasty game of coercion. They say old habits don't die so easily...Mr. Putin's heavy-handed treatment to bring his foes in line is all but a reminiscent of Communist era when dissensions were not tolerated.

this dictum of Mr. Putin as he gave money to an opposition politician. Consequently, Putin's ire was on him and in no time, he was arrested and thrown in a Moscow jail, which was teeming with ordinary criminals.

This action of Mr. Putin did not go unnoticed in the West. Most news organisations carried the news of Mr. Khodorkovsky's arrest. Mr. Putin's hard-nosed policy was criticised very severely. Some Russian observers are of the opinion that many ex-KGB men are manning the Kremlin these days and they are the one who are backing Mr. Putin to play hardball against the oligarchs who are defying the president. The oil company Yukus's financial statement is a public document and Mr. Khodorkovsky ran the company a la West very transparently. Nonetheless, Russian government had alleged that Mr. Khodorkovsky tried to evade paying taxes. He did not receive a bail; therefore, he relinquished his position as the CEO of Yukus. What Mr. Putin is doing to Mr. Khodorkovsky is nothing new. Russian government is notorious for playing hardball with the dissident. However, Mr. Putin is not realising the fact that his scorched earth policy with the Russian oligarchs may backfire and cause impediment to country's journey to free-market economy.

Before analysing the unfolding drama of Yukus CEO's arrest in Moscow, which is receiving a lot of airtime in the media, one must look at the curriculum vitae of Mr. Putin to understand why the Russian President is acting this way to subdue one of his newly found foes.

Mr. Putin did spend 15 years as a foreign intelligence officer for the Committee for State Security (KGB), including six years in Dresden, East Germany (now Germany). He retired from active KGB service in 1990 with the rank of lieutenant colonel and

returned to Russia to become prorector of Leningrad State University with responsibility for the institution's external relations. Immediately, Putin became an adviser to Anatoly Sobchak, the first democratically elected mayor of St. Petersburg. Sobchak was an outstanding figure of the Soviet perestroika in the late 1980s and played an important role in the collapse of the communist power in the country during Mikhail Gorbachev's tenure as the president of the former USSR.

Mr. Putin quickly won Sobchak's confidence and became known for his ability to get things done; by 1994, he had risen to the post of first deputy mayor of Leningrad. Mr. Putin moved to Moscow in 1996, where he joined the presidential staff as deputy to Pavel Borodin, the Kremlin's chief administrator. There he came in contact with the fellow Leningrader Anatoly Chubais the most powerful figure in the Boris Yeltsin Administration. In Kremlin, Putin moved up in administrative positions. Within two years, President Boris Yeltsin made him the director of the Federal Security Service (the KGB's domestic successor), and shortly thereafter, he became secretary of the influential Security Council.

In 1999, Yeltsin's health was deteri-

orating and he was desperately searching for an heir to assume his mantle; he appointed Putin prime minister in 1999, which paved the way for his ascendancy to the coveted position of the president of Russia. Mr. Putin is a product of Brezhnev's era. He has seen how the Soviet government treated the political dissidents. Even though today's Russia is very different from Brezhnev's time, but Mr. Putin is certainly acting like his predecessors. This harsh action of Mr. Putin won't bode well for his country, which still needs western nations' financial input to make all the reforms Russia need to become a member of the free market communities. His hard-nosed policy to jail an enterprising CEO is not sitting well in the West. Foreign investment in Russia could very easily dry up resulting in a financial mess. We have seen only few years ago the meltdown of the stock market in Russia resulting from a currency crisis. Let us hope the arrest of Mr. Khodorkovsky, which points out to the blatant disregard for property rights by the Russian government, won't trigger another stock market meltdown in the country.

This kind of unilateral action to arrest a private citizen was not expected from a reform-minded Putin Administration. Russia has laws and courts whose help the Putin Administration should have sought to bring Mr. Khodorkovsky to justice. Instead, Mr. Putin had played a nasty game of coercion. They say old habits don't die so easily.

On November 4, 2003, Mr. George Melloan, a columnist for the Wall Street Journal wrote, "There is no reason to doubt that Mr. Putin is sincere in wanting to create a modern economy. Why would he not be? But with the Khodorkovsky prosecution, he has made a major error. He has confused a challenge to his own personal political power with a challenge to the state itself. By doing so, he has revealed to the world that Russia has made very little progress toward establishing a rule of law and that property rights don't really exist when high politics are in play."

Mr. Putin's heavy-handed treatment to bring his foes in line is all but a reminiscent of Communist era when dissensions were not tolerated. It is like déjà vu all over again.

OUR TAKE

An indictment from within

ZAFAR SOBBHAN

THE news that parliamentary standing committees have raised allegations of irregularity and corruption in the running of at least 20 of the 39 government ministries is a remarkable change from the typical spectacle of the government and the opposition trading accusations that we have grown accustomed to.

Now, allegations of corruption are nothing new in Bangladeshi politics. The BNP accuses the AL of corruption. The AL accuses the BNP of corruption. Everyone accuses the JP of corruption.

What makes these latest allegations so compelling is that they are leveled against the government, not by the opposition, but by other members of the government itself.

Due to the opposition's boycott of parliament, the parliamentary standing committees are operating without opposition participation and are chaired and run by members of the ruling alliance.

The members of the standing committees are to be applauded for having the courage to speak out in a manner that can be expected to create difficulties for their own government and for their own political careers. The intended function of parliamentary standing committees is to oversee the actions of the different ministries and it is a welcome change to see at least one entity within our system of government operating as it should.

One hopes that the government will see that this kind of criticism coming as it does from within the ruling alliance rather than from outside cannot be dismissed as mere politics as usual.

The government has routinely dismissed all allegations of corruption leveled against it as political posturing on the part of the AL. Last month, the finance minister even went so far as to cavalierly dismiss the Transparency International report that found Bangladesh to be the most corrupt country in the world by pouring scorn on the report's methodology. The intellectual dishonesty of his dismissal of the TI report after using its previous report as Exhibit A in the case against the AL government in the last election was lost on no-one, except perhaps the government.

If we cannot get our elected leaders to take allegations made by the opposition (or indeed a respected non-partisan international institution with no discernible axe to grind) seriously, perhaps the findings of members of their own party will persuade them that there is some substance to these latest allegations and convince them that it might be of benefit both to the nation as a whole and to the government to address these concerns.

The fact that corruption is rampant throughout all levels of the administration is obvious to anyone who has the misfortune to have to deal with any governmental entity and the continued denial by the government of what is apparent to even the most casual of observers seems to reflect nothing more than its contempt for the intelligence of the electorate.

We all know the truth of the situation. Now that the parliamentary standing committees have taken the courageous step of putting on record what we all know to be true there can be no excuse for the government to continue to bury its head in the sand and pretend that allegations of corruption are nothing more than the opposition trying to score political points.

If members of its own alliance find the performance of government ministries below par due to gross mismanagement, irregularity and corruption, perhaps the government will now finally be convinced to take measures to tackle the epidemic of corruption that rages throughout the administration.

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