

# Galbraith and the decline of American liberalism

In one of his lighter moments, John Kenneth Galbraith suggested that politics was not the art of the possible. "It consists," said he, "in choosing between the disastrous and the unpalatable". You have that eerie feeling he was looking far ahead into the future, into an age that would leave presidential timber like Al Gore out in the cold and thereby make improbability a political preference.

SYED BADRUL AHSAN

JOHN Kenneth Galbraith was one of the more brilliant representatives of modern American liberalism. When he died a couple of weeks ago, he symbolised, in essence, the passing of an era which was once meant to serve as a springboard to all the good that liberalism as a political force could call forth, not only in America but elsewhere as well. The unfortunate part of life, for Galbraith as also for those who have upheld or believed in the power of liberalism to transform the world into a better place than it is or has been is that those who were meant to disseminate the message around the world themselves came to be part of a process that led to the decline of liberal thought. It was only a handful of men who, in the end, carried forward the increasingly feeble torch that once had lighted up thoughts across large swathes of the world.

To those of us who have grown to adulthood and now run the course of middle age, the life and times John Kenneth Galbraith remain a measure of the idealism that once came into politics, especially in America. In a sense, modern American liberalism began with Franklin Delano Roosevelt and continued right up to the times of

the pretty embattled Harry Truman. You could go back for a search of the names of those who dominated politics in the United States, in those days before the sinister force of McCarthyism set in, and come up with quite a few that still resonate with us, even in these days of mind-boggling neo-conservatism personified by the likes of George W. Bush and Dick Cheney.

In the early 1950s, apart from Galbraith himself, there was the intellectually articulate Chester Bowles who, as ambassador to India and in his other capacities, demonstrated the inherent power of liberalism to serve as a conduit to other cultures around the world. Before him, in the late 1940s, the slow but perceptible rise of a young politician named Hubert Horatio Humphrey was a strong sign of the direction America was taking in the aftermath of a war that had opened up a whole new set of doors besides closing a number of old ones. In all this slow paced march of liberalism, it was Galbraith who more than anyone else provided the necessary intellectual background.

In his seminal work, *The Affluent Society*, he drew attention for the first time to the manner in which society was changing not out of a determination to change but from a sheer force of natural events. His

abilities where writing was concerned were prodigious, as all the books (and they totalled more than thirty) he was eventually to write were to demonstrate so palpably. It was faith that served as the underpinning in his works. He was often ridiculed by others, particularly those with an interest in economics, for what they thought was his simplistic attitude to politics as it came defined within economics. It hardly mattered to Galbraith, who remained convinced till the end (and it was a very productive, prolific ninety seven years he lived) that economics needed to be more than theoretical if it meant to substantiate politics as a means of promoting human welfare. He was never the pedantic, did not pretend to be moralistic. In such simply stated works as *The Liberal Hour*, he merely noted the reasons behind the advent of political liberalism, leaving it to his readers to draw their own conclusions. Those conclusions were the same that he himself appeared to have reached.

American liberalism, having been initiated in the times of FDR, went through an obvious decline in the Eisenhower years. Even so, men like Adlai Stevenson gave to liberalism periodic shots in the arm, in 1952 and 1956, when the former governor of Illinois lost the

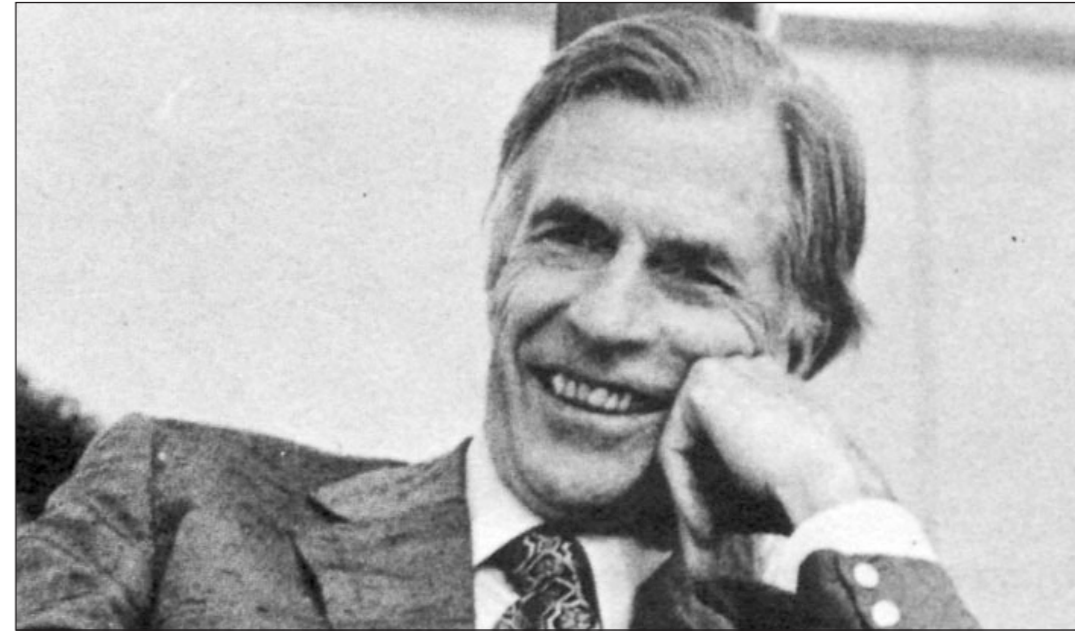
race for the White House to Dwight Eisenhower. A measure of Stevenson's liberalism was particularly noted at the Democratic convention in 1956, when the candidate left it to the delegates to choose who between Senator Estes Kefauver and Senator John Kennedy would be his running mate against the Eisenhower-Nixon ticket. It was Kefauver who won, but it also pointed to a new dawn of liberalism that could well be inaugurated some years down the road by Kennedy.

At the election of November 1960, when Kennedy defeated Vice President Nixon by a whisker and gained the White House, the liberal hour Galbraith had long waited for seemed to have arrived. And yet the contradictions could not but be noticed. Even as Kennedy went busily about trying to create an administration in a liberal mould, few could set aside the thought that in his quest for the presidency Kennedy had left a better liberal, Senator Hubert Humphrey, far behind him. Humphrey, having lost the West Virginia primary to JFK in 1960, did not figure anywhere in the new administration. But that did not take away from the popular notion that a liberal administration, of whatever hue, was finally in office. Kennedy went looking for the best and the brightest in the land. He netted Dean Rusk and Robert McNamara. There was Douglas Dillon and, of course, Adlai Stevenson, who was sent off to the United Nations much against his wishes. Stevenson had wanted the State Department, which JFK was unwilling to hand over to him.

Besides nominating the men who would be his cabinet, Presi-

dent Kennedy did not fail to give his administration the liberal lustre that came through peopling it with individuals of Galbraith's mould. The historian Arthur Schlesinger Jr. served as the leading intellectual voice of a government which thought it was the generation into whose hands the torch had been passed. The band of Irishmen Kennedy brought with him (note Kenny O'Donnell) as well as people like Theodore Sorensen and Pierre Salinger were all inhabitants of Camelot, the new legend of liberalism Galbraith saw being constructed with ardour in Washington.

Galbraith himself went off to India, as a necessary linkage between the Kennedy administration and Jawaharlal Nehru. He was doing what Chester Bowles had tried doing once. It was a time that the poet Robert Frost had predicted would be ('the land was ours before we were the land's') at the Kennedy inaugural in January 1961. It was an era that had risen out of the gloom of the Lincoln assassination of April 1865, when 'lilacs last in the dooryard bloomed' for the poet Walt Whitman. But not many noticed the creeping desolation that was coming into liberalism even as Camelot played on in Washington. Kennedy courted disaster at the Bay of Pigs and came perilously close to a nuclear confrontation with Nikita Khrushchev's Soviet Union in October 1962. Among the best and the brightest, Robert McNamara was beginning to mishandle policy over Vietnam, whose corrupt president Ngo Dinh Diem, along with his brother Ngo Dinh Nhu, died in an American-backed coup on the first day of November 1963. President Kennedy was to be murdered later



that month. Camelot was effectively buried at Arlington, though there were many around who thought they could carry the torch onward.

The decline of liberalism has been pitiful. Eugene McCarthy caused hope to rise anew in New Hampshire in 1968, only to be undercut by Robert Kennedy, who then died in Los Angeles. Hubert Humphrey's liberalism went missing in the vice presidency he enjoyed under President Lyndon Johnson, so much so that he lost his strongest attempt to be president to Richard Nixon in 1968. In 1972, Nixon crushed the liberal George McGovern in a landslide. Among America's Republicans, the brave liberal Nelson Rockefeller, having been booted off the stage by Goldwater partisans in 1964, saw

much of his ardour cool as he accepted Gerald Ford's offer to be his vice president in 1974. Ford unceremoniously dumped Rockefeller in 1976, and went on to lose to the unknown Jimmy Carter.

Perhaps the last, weak hurrah was sounded for American liberalism in 1980 when Edward Moore Kennedy made a misplaced dash for the Democratic nomination against Carter and ended up harming the Democratic cause. The election of Ronald Reagan was the point where conservatism actually ran liberalism out of town. And except for the eight Clinton years, conservatism has held centre stage in America. Liberals have stopped calling themselves liberals and have been moving steadily to the centre. A liberal politician in America today is a dead, or grievously wounded,

politician.

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Syed Badrul Ahsan is Executive Editor, Dhaka Courier.

# Biman's dismal approach

At a ratio of 380-odd employee for each aircraft in the fleet, I fail to do the math of how Biman can be profitable even if the aircraft flew solar-powered that did not cost anything and every flight had year-round average load factor of 80 percent or more. Make no mistake, Biman can still be a tremendously potential airline if only the government pulls out the selfish fingers out of the pie, and let it be managed by industry-accredited people and governed under a competent CAAB. Otherwise, the seemingly dismal approach will end up in a sad crash.

IMRAN ASIF

AS I write this piece following up from my article published on May 9, 2006, a number of events have taken place surrounding our very own Biman Bangladesh Airlines.

On May 10, 2006 a representative team of the Bangladesh Airlines' Pilot Association (BAPA) visited the State Minister for Civil Aviation and Tourism at his office and explicitly complained about the corruption and malpractices at the Civil Aviation Authority of Bangladesh (CAAB) regarding pilot licences. They alleged that the Flight Safety and Regulation department of CAAB is committing the crime of taking bribes to issue or renew pilot licences, completely overlooking the applicants' worthiness to fly an airplane! Now, that is really, really gross. In the year 2004-2005, according to government sources, some 1.5 million people trusted their lives with Biman flying across the world. How could a handful number of corrupt individuals at CAAB be let to play with so many lives?

On May 14, 2006 a New York bound flight of Biman was denied access into the US airspace citing security reasons, thus forcing the plane to land in Montreal, Canada. While the actual reason for the denial is still unclear, Biman on May 17, 2006 stated to the local media that the Federal Aviation Administration (FAA) has apologised for their misjudgment and that the US Department of State has also regretted the mishap. But at the backdrop of it all, reportedly some 250 passengers on the flight were miserably handled by Biman in Montreal. These passengers were paying passengers and not aboard a charity charter flight, and they did not deserve to be treated the way they did. A report even stated that an ill senior citizen flying in Business Class was not provided with a wheel chair requested for her. International laws on commercial flights would allow that passenger to file a lawsuit against Biman if she wanted to, and Biman could have been forced to compensate her with a sum of money far larger than what the whole flight diversion had cost them in financial terms. Biman should thank its lucky stars.

On May 18, 2006 a report in a leading national daily stated that Biman would now face a ban on operating to its 5 European routes for failing to meet certain regulatory directives by European authorities. I shall now try to elaborate this. For civil aviation matters in Europe, at core sits the European Civil Aviation Conference (ECAC), founded in 1955. The ECAC has 42 member states and its European partners are the Joint Aviation Authorities (JAA) and Eurocontrol. Together, they combine their activi-

ties in tune with the International Civil Aviation Organisation (ICAO) to develop harmonised civil aviation policies and practices among its member states. In 2002, the European Union decided that the European Agency for Aviation Safety (EASA) should be formed, which is simply an evolution of the JAA and the transition is undergoing in phases. The EASA, through Article 6 of its basic regulation (EC 1592/2002) has adopted the noise and emission standards of the ICAO which are contained in Annex 16 of the Chicago Convention.

The two most important activities by ECAC that directly affects Biman are noise abatement regulations that the ECAC enacted in cooperation with Eurocontrol and EASA, and Safety Assessment of Foreign Aircraft Programme (SAFA) conducted by the JAA/EASA. The McDonnell Douglas DC-10 aircraft was designed in the late-60s and did not originally conform to Stage III noise regulations which, since April 2002 were declared as the minimum to operate to any destination to the 42 ECAC member states. Any aircraft by any airline which did not comply were decided to be gradually phased out by international agreement and the deadline for Biman is reportedly said to be September 1, 2006. However, the option to retrofit DC-10 aircraft with Stage III hush-kits were available since early-80's and Biman never pondered to have it done to its workhorse fleet of DC-10s. Now that the ban is inevitable, Biman has sought for the service from Boeing (which took over McDonnell Douglas in 1992) and may now have to spend three to four times of what it would have cost six months back.

Another stab that I can see

coming towards Biman is the JAA's SAFA Programme. The principles of the programme is that in each ECAC member state any foreign aircraft (from ECAC and non-ECAC states) can be inspected for safety. If an inspection identifies significant irregularities, these will be taken up with the operator and the oversight authority. Where irregularities have an immediate impact on safety, inspectors can demand corrective action before they allow the aircraft to leave. All five of Biman's European destinations (London, Brussels, Paris, Frankfurt, and Rome) belong to ECAC member states. Since the Civil Aviation Authority of Bangladesh (CAAB) is listed in Category 2 for not adhering to the minimum safety standards of the ICAO, and Biman is directly governed by CAAB for safety, it will not be too long before the JAA takes a closer look at Biman than ever before.

Moreover, Biman is not even registered under the IATA Operational Safety Audit (IOSA) by the International Air Transport Association (IATA) despite being a member airline of IATA. If Biman does not get audited under IOSA by 2007, it will lose its membership with IATA and subsequently get banned to operate to even more destinations. All major airlines from the Asia Pacific region, including Pakistan International Airlines and Air India from the neighbouring countries, are IOSA registered.

Obviously, it is quite easy to overlook the absolute absence of foresight in Biman's management, and the proven incompetence of the CAAB, and simply put all the blame on the flying machines. The State Minister for Civil Aviation and Tourism, and senior Biman officials are all blaming the poor old DC-10 for being rendered incapable by the European authorities. Well,

Northwest Airlines -- the major US carrier -- still operates the world's largest fleet of passenger DC-10s into Europe, that too at a major hub like Schiphol, Amsterdam, and will continue DC-10s on scheduled services until January 2007 because all of their DC-10s are Stage III compliant. Yes, Northwest is replacing its entire DC-10 fleet with new generation aircraft for fuel-inefficiency issues, but how can Biman cite the same reason when it has not been paying for fuel for ages? Despite not having to settle God-forsakenly overdue fuel bills with Bangladesh Petroleum Corporation (BPC), how does Biman still report huge operational losses year after year?

Personally, I am for Biman getting newer airplanes to replace the ageing DC-10s. But then, Biman should be able to pay for its fuel bills, and its employees. Even in a one-for-one swap for the DC-10s with the most efficient aircraft available, Biman would still have 13 aircraft in its fleet, and a 5000-strong staff. There are not too many airlines which can boast about having its own poultry, after all! At a ratio of 380-odd employee for each aircraft in the fleet, I fail to do the math of how Biman can be profitable even if the aircraft flew solar-powered that did not cost anything and every flight had year-round average load factor of 80 percent or more.

Make no mistake, Biman can still be a tremendously potential airline if only the government pulls out the selfish fingers out of the pie, and let it be managed by industry-accredited people and governed under a competent CAAB. Otherwise, the seemingly dismal approach will end up in a sad crash.

Imran Asif, currently an aviation industry consultant, has previously worked on projects with The Boeing Company, Honeywell Aerospace, and FAA's Operational Evolution Plan (OEP) in 2004-2005.



# A joke of the affluent

There is no country in Third World or even in the fourth, as in Africa, that has developed by World Bank loans or international aid. For a prosperous Bangladesh, for poverty alleviation, for sound social indicators, for cheap petrol and power, or for safe roads, our intelligentsia must dump development theories and embrace free market capitalism, and confidently follow China or Hong Kong that developed splendidly without foreign aid dependency.

NIZAM AHMAD

In 2004, American private giving through foundations, corporations, voluntary organisations, universities, colleges, religious organisations, and immigrants sending money to families back home totalled at least \$71 billion, over three and half times US government overseas assistance and aid. -- *Index of Philanthropy, Hudson Institute, USA.*

In the global financial market, apart from private donations, there is ample money for investment in any country if the country has property rights, rule of law, democracy, and market based economic system. Bangladesh's infrastructure, as power or water, requires huge amount of hard money that the global private investors can provide, but our politicians have failed to turn Bangladesh into a destination for such investments.

Instead, the government and politicians rely heavily on agencies as The World Bank and IMF to finance their development and budgetary deficits. This distorted economic scenario ideally suits the business people who are increasingly dominating politics today. Our businesspersons (mostly) do not cherish competition in the free market but seek protection and liaison with bureaucrats and politicians. Many of them have made, or make astronomical profits in the infrastructure sector financed by the donors. When they, as politicians, are included in high profile discussions with donor governments, World Bank or IMF, it provides them a solid business advantage that those without political connections cannot have. That the businesspersons are there as party leaders also holding business stake in the same field of discussion is not only improper but also deplorable politics.

The World Bank has lately promised \$3 billion plus loans to Bangladesh in the coming years provided the government abides by its recommendations and increases petrol and electricity prices. However, there is no doubt that the bank's more lending will only mean continued corruption, high cost, production delays, and shortfalls as now. Pouring down of capital can save a government but it cannot bring efficiency and competency in power generation or in reducing petrol prices.

The World Bank only several months back, to weed out corruption, had suspended loans for

various sectors to several countries as Chad, India, Yemen, Kenya, Congo, Uzbekistan, and Bangladesh. May be, corruption is no more an issue with them as they entrust billions of dollars again to Bangladesh. In the 1980s and 90s, the World Bank, after repeated failures to develop the Third World, switched to 'adjustment lending' that meant that their loans depended on 'government policy changes and reforms'. The Bank stressed structural reforms, liberalisation, privatisation, and deregulation, but these were mere development rhetoric. There have been no significant reforms in the Third World including Bangladesh but World Bank bulk lending continues to reward inefficient governments, dictators, corrupt politicians that go hand in hand with equally corrupt and unfree economic systems.

Christine Wallich, World Bank Country Director in Bangladesh recently said, "95 percent of Bangladesh's population has access to safe drinking water, exceeding India, its far richer neighbour". [The Financial Express May 13, 2006]. Bangladesh's people have 100 per cent access to drinking water but whether it is 100 per cent safe require no statistics. Nowhere in the country is water safe to drink without boiling and there are not too many households who can burn the extra fuel to do the boiling. Even Bangladesh's bottled mineral water is not 100 per cent safe. Hundreds die prematurely with dysentery and hepatitis without access to healthcare that World Bank funds sizeably. Furthermore, there is severe arsenic poisoning in drinking water in northern Bangladesh but that is a forgotten chapter.

To label Bangladesh's drinking water as safe and accessible to all and even surpassing its neighbours is implausible. Moreover, with the ICDDR, the only reliable hospital for diarrhoeal diseases, filled daily with patients and running over capacity during the flood times when WASA water pipes freely mix with sewerages and other filth: our drinking water is very unsafe unless a joke of the affluent.

Moreover, Bangladesh's social indicators may look grand on paper but the reality is different. Statistics say that school enrolment is high and so is gender parity. However, low wages to teachers cannot bring

quality education. They talk of infant mortality reduction but the standards of rural health centres or even those in cities are poor and many such centres are without doctors. Yet, the World Bank chooses to pat the backs of the government officials for attaining success. The World Bank measures success by the sheer amount of hard money they provide supported by seminars and publicity that belie reality.

For our foreign aid dependency culture, the development economists are to be blamed. They regard lack of capital as the prime cause of poverty and underdevelopment. They urge high taxes, mobilisation of internal resources, and international aid for quick capital accumulation to expend on outlays they recommend. For them it is morally wrong for richer governments not to provide higher percentage of their people's income to help us become as wealthy as them. As such, donor governments and agencies as the World Bank and IMF provide Bangladesh's additional requirement of capital and together with government's domestic measures to raise capital, irreparably damage the economy.

'Perpetuating Poverty' a Cato Institute publication notes that 'fifty years and hundreds of billions of dollars of aid from western governments -- funnelled through the IMF, the World Bank, and a number of other multilateral aid agencies -- have had an impact on world poverty: it has helped keep the Third World poor just that -- poor'. It says that 'aid giving has failed because institutional lending is to governments and not individuals' or to the private sector.

Economies such as ours are poor not because of lack of resources, capital, geographic conditions or high population but because of destructive policies that bloat public sectors, protect ill planned industries and trade, expand bureaucratic controls, fix prices, impose high taxes, and construct complex regulations that sap private economic plan of individuals. Furthermore, it swells the authoritarian mind of the politicians who, in our illiberal system, hold the power to make or destroy businesses, or dole out state properties and privileges to whom they please.

The power sector is solely government owned that allows

some power generation in the periphery but the market need is massive that only foreign private capital can fulfil. There has been no move for private power generation independent of the government. Since the mid 1980s, the World Bank stopped financing the power sector demanding necessary reforms.

It did not promote a policy that would encourage competition, as in a free market, but privatisation which has adverse political repercussions that a free market can clearly avoid. It did not push the government to liberalise the sector but demanded that prices increase despite acute sufferings of the already struggling people. For the failure of power, water, and petrol, it is the World Bank that is responsible for misguided policy advice and lending.

There are billions of dollars required but the infrastructural development needs to be open to competition and private investment without the bureaucratic red tape and political weaknesses as it is today. Apparently, as infrastructure development requires heavier investments the status quo are most reluctant to let it out of their control. For the people there will be McDonald's and Kentucky's, the foreign investments, flooding posh areas to impress upon the country, and the donors, how prosperous Bangladesh is becoming with aid and sound governance.

There is no country in Third World or even in the fourth, as in Africa, that has developed by World Bank loans or international aid. For a prosperous Bangladesh, for poverty alleviation, for sound social indicators, for cheap petrol and power, or for safe roads, our intelligentsia must dump development theories and embrace free market capitalism, and confidently follow China or Hong Kong that developed splendidly without foreign aid dependency.

The real private investment opportunity and the necessity are in building Bangladesh's infrastructure but only if our politicians, bureaucrats, and the businesspeople, who loathe market competition, would permit. The World Bank and IMF's promise of money, demands for price rise, privatisation that does not work, and, of late, hobnobs with politicians is nothing but a comic story for the public.

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