

BEGUM ZIA GOES TO CHINA TODAY

A Boost for the Zia Legacy in Foreign Relations

Tapping the NRB Potential

Recent government decision to allow non-resident Bangladeshis (NRBs) to invest in Dhaka's stock market is a long overdue one, as is the move to permit wage-earners to maintain foreign currency accounts at home for up to five years after their return.

Remittances from expatriates have already become the largest single source of foreign exchange for the government. But it is also a well-known fact that as much money, if not more, is sent home through the illegal hundi as it offers a quicker service and better returns.

One of the principal headaches of economic planners and managers of this country is how to attract more foreign investment to accelerate the industrialisation process.

Another thing to remember is that the money we are talking about is a hard-earned one, something that is unlikely to be parted with unless enough incentives and adequate guarantees were involved.

The NRBs themselves could take a leaf out of the book of their Indian counterparts, by forming an NRB association and turn themselves into a pressure group.

The US permanent representative at UNEP, John Aichley, is calling for three environmental information services, known collectively as Earthwatch, to be consolidated at one new site, preferably Geneva.

Save the Garo Gajari

In the name of afforestation, people charged with forest conservation and management are cutting down 'gajari' trees over a large area. Incredible? But that is what a report from Sherpur says in a national vernacular daily.

The possibility of rotational felling — a normal forestry practice — is ruled out in this case. 'Gajari' — a kind of 'shal' which has little timber but for its hard wood is much in demand for use as an essential building and construction material.

What are they doing in the clearings thus made? Planting saplings which in the absence of proper feed-manure do not hold out much of a promise. The scenario gains on a vicious dimension with the capture of hundreds upon hundreds of acres of forest land by people come from the town.

This has been going on for long. What is new in the matter is the growing awareness among the peoples of the world, including us, of the importance of preserving environment and a corresponding rise in the different, indeed almost all governments of the world, not excluding us, of a clear commitment to see that nature is no more plundered and vandalised the way it was done till very recently.

If one looks at the foreign policy of Bangladesh as a structure, built in stages over a period of two decades, then the country's relations with China is viewed as a pillar. No matter which government is in power, in Beijing or in Dhaka, the two countries remain assured of a steady improvement in their bilateral ties.

This assurance provides the backdrop to the two-day visit of Prime Minister Khalesa Zia to China, starting today. For the Bangladesh leader, it is said to be essentially a familiarisation exercise. However, it is safe to assume that her Chinese hosts who seldom treat the first visit of a national leader as a routine matter will turn it into a boost for the Sino-Bangladesh relations.

Whatever the Chinese will do to add a new dimension to the visit will, of course, suit Begum Zia. After all, her trip to Beijing, like her earlier one to Saudi Arabia, is meant to demonstrate that notwithstanding the continuity in the country's foreign policy, the new government is striving towards reviving what is called the legacy of the late President Ziaur Rahman in the country's external relations as much as its domestic field.

"In diplomacy," the saying goes, "some friends are more equal than others."

The revival of the Zia legacy in foreign relations should be easier than a similar exercise that concerns our political life or economic planning. This is because while in foreign affairs, the country operates within a well-defined framework, based on a high degree of national consensus, the domestic scene reveals almost insurmountable divisive challenges defying old solutions.

Furthermore, it can be argued, without implying any criticism of our successive governments, that the position of Bangladesh in foreign relations is refreshingly uncomplicated and indeed unambitious, especially when it is compared to that of two other South Asian countries, India and Pakistan. To some, the country's foreign policy may appear lackluster, but it

is one that avoids controversies. A recent exception to this pattern has been Dhaka's firm opposition to Iraq in the Gulf conflict. It touched off a controversy that threatened to eat into the national consensus on our foreign relations. Fortunately, as it turned out, Bangladesh was on the winning side and so it was right all along.

In foreign relations, as in politics in general, there is nothing more important than being proved right and, to that extent, end justifies the means.

Now, what precisely is the Zia legacy in foreign relations that the new BNP government seeks to revive?

In taking over the charge of foreign relations in late 1975, the late President reportedly found three things particularly wrong with the

country's performance — or rather the lack of it — in this field. He found the policy to be too passive; he felt that it operated within a narrow focus, mainly centering on the country's relations with New Delhi; and, above all, he found it to be lacking in a broad political dimension. In general terms, the perception of the late BNP leader was correct. And so was the package of remedies his government put into effect.

It is in this context that, more a decade and a half later, we see the importance of President Zia's successful efforts in consolidating the country's relations with Saudi Arabia, in setting up ties with China. In moving closer to countries in Southeast Asia and, finally, in starting the groundwork for the establishment of the South Asian Association for Regional Cooperation (SAARC).

Among these moves, the establishment of diplomatic relations between China and Bangladesh in January 1976 was particularly significant.

It was significant in the historical perspective. "During the liberation war in Bangladesh,"

a Chinese friend once said to this writer, "China was on the wrong side, but for a good reason." As he explained, Beijing could hardly desert Islamabad, not while Pakistan served as a go-between in the opening of Sino-American relations, with Henry Kissinger flying off to China on a secret mission from Pakistan.

Today, all this may be no more than a footnote in the bilateral history of China and Bangladesh. But in the mid-seventies, this cast a shadow over prospects of co-operation between the two countries.

It goes to the credit of both Bangladesh and China that in establishing their diplomatic ties in January 1976, they put the past behind and then moved forward to extend their co-operation to wide-ranging fields.

China's approach to its relations with

the Beijing-Dhaka relations at a new constructive level. For the foreseeable future, we can expect these relations to develop under their own motivation, instead of being influenced by our relationships with third countries.

During her two-day stay in China, Begum Zia will be reviewing this progress in the Dhaka-Beijing relations with satisfaction.

In this progress, the Bangladesh-China Joint Economic Commission, established in November 1983, has played a significant role. In six sessions held so far, some in Beijing and others in Dhaka, the Commission has acted as a kind of clearing house for Chinese-aided ventures set up in Bangladesh, monitored progress of on-going projects and identified prospects for future co-operation between the two countries.

In this exercise, the attention of the Joint Commission has remained well-focused on areas where the Chinese expertise has won international recognition and which, by coincidence, are of vital importance to economic progress of Bangladesh. Not surprisingly, therefore, the Chinese assistance, in grants and loans as well as in technical support, has been used in the construction of bridges and of medium-sized factories, and in the exploration of prospects in agro-based industries such as in frog and duck farming, livestock and poultry and fisheries.

Yet another area which may receive special attention from both sides during the visit of Begum Zia to China relates to flood control and harnessing of rivers in Bangladesh, a field in which the Chinese have worked for decades. In accordance with the Memorandum of Understanding (MOU) signed in November 1988, there has been an exchange of visits of technical teams from the two countries, leading to agreements on a number of projects to be undertaken by China in this country.

The importance of the Chinese-aided projects in Bangladesh undoubtedly lies in their relevance to this country. This is expected to remain the main consideration guiding the work of the Bangladesh-China Joint Economic Commission.

AT HOME AND ABROAD

S. M. AH

Bangladesh largely fits in with the pattern Beijing has followed in establishing and then consolidating its ties with Southeast Asian countries, especially Malaysia, Indonesia and Singapore. It took a long time for two of them — Malaysia and Indonesia — to clear the air of their well-pronounced suspicions about China.

However, once the causes of past misunderstandings had been largely removed, prospects brightened up for future co-operation in all different fields.

This also shows that China invariably prepares well, and sometimes over a fairly long period, in establishing ties with another country. But once the ties are set up, the process of consolidation becomes smooth.

Over the past 15 years, the relations between Beijing and Dhaka have indeed developed smoothly, with political rapport providing an impetus for growing economic co-operation.

The changes on the international scene, especially the end of the superpower rivalry between Moscow and Washington and a thaw in Sino-Soviet ties, have also helped in placing

US Tries to Squeeze UNEP Out of Kenya

by Patrick Isaack in Nairobi and Vernon Wright in London

As environmental issues take a front seat in global politics, the political bickering increases. A move is on to redefine and realign the growing clout of the United Nations Environment Programme, based in Nairobi, on the grounds that some functions could be more efficiently carried out in Western locations. But it is also some assumed that there are motives other than efficiency for the politicking.

THE United States has stepped up a push to have significant sections of the United Nations Environment Programme (UNEP) removed from Nairobi, Kenya, and relocated in New York and Geneva.

The move is seen by some in Nairobi as a political snub to Kenya, another chapter in the developing dispute about human rights between the East African state and some of its Western allies.

Within UNEP, however, it is seen rather differently, and the US is interpreted as having both overt and covert objectives, neither much concerned with Kenya's human rights record.

These objectives have to do, firstly, with improving the communications efficiency of UNEP, and secondly, with sidelining its executive director, Dr Mustafa K. Tolba, and bringing some of the environmental heat off the US and a few other countries.

The move to dismember the organisation administratively has been an open secret within UNEP for some time and was made public at the recent 16th session of UNEP's governing council in Nairobi.

UNEP and the UN Agency for Human Settlements (Habitat) are the only UN agencies headquartered in the developing world. The US wants at least three major sections of UNEP removed from Nairobi because of "poor communications facilities."

The US permanent representative at UNEP, John Aichley, is calling for three environmental information services, known collectively as Earthwatch, to be consolidated at one new site, preferably Geneva.



Dr. MOSTAFA K. TOLBA Executive Director of UNEP

Earthwatch is made up of the Global Environmental Monitoring Systems (GEMS), Global Resources Information Data Base (GRID) and Infoterra, as well as other information and collection services.

A State Department document tabled at the recent conference said: "These activities which UNEP does would benefit immensely from consolidation and co-location at a common site where maximum capabilities exist for the use of those telecommunications services upon which the more intensive operation of Earthwatch will vitally depend."

In addition, the Americans want the formation of a new, centralised body called the Environment Co-ordination Board (ECB) to be based in New York and headed by UNEP's executive director.

This body would replace one currently in New York which is called Designated Officials on Environmental Matters (DOEM), and headed by UNEP's deputy director.

This would mean Tolba spending half his year in New York and half in Nairobi, while his deputy would be in Nairobi permanently to handle day-to-day UNEP management and administration.

UNEP sources acknowledge limitations in the communications facilities in Nairobi, although they say the Kenyan government has recently made some improvements.

Delegates to the conference expected a spirited reaction from the Kenyan government to the implied criticisms. Instead environment Minister Dr Njoroge Mungai responded mildly that the relocation exercise would be "expensive and would only serve to weaken the organisation". He said his government was improving satellite communications for UNEP.

Tolba has directed UNEP since 1975. In that time the Nairobi operation has, say

sources in Nairobi, come to bear some resemblance to a personal fiefdom. Tolba is a strong personality, abrasive at times. His personal style has a limiting effect on the efficiency of the total organisation.

At the same time, his commitment and personal style have helped UNEP make significant strides in the worldwide battle against environmental degradation. In particular, he has been effective in the campaign to check ozone destruction.

The big issue for UNEP at present is climate change and

the role of CO2 emissions. It is in this area UNEP staffers feel Tolba may have made himself unpopular.

The White House has firmly rejected any attempt at global control of CO2 emissions, an astounding 25 per cent of which are produced in the US alone. A cutback in these emissions, so the reasoning goes, would mean the amount of energy consumed by the US would be reduced. That, in turn, would have a limiting effect on the US economy.

The US is supported in its opposition by a number of

other western countries and by Saudi Arabia and Latin America.

The UN in New York has already taken responsibility from Tolba and UNEP on the subject of CO2 emissions and has set up a separate negotiating body in New York — an indication of the sensitivity of the issue.

As for the Kenyans, the strong belief in Nairobi is that the politicking around UNEP is linked with Kenya's deteriorating human rights and democratic profile, and that the moves are aimed at ostracising Kenya.

The US has been outspoken about Kenya's democratic practices and has cut some military and other aid.

—GEMINI NEWS
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OPINION The Defaulter Issue : More Thoughts

Begum Khalesa Zia and other BNP leaders pledged during the election that they will be supporting the private sector in building the national economy. They stated very clearly their support towards privatization and to follow the policy of a market oriented economy.

However, within only a few weeks of taking power by the new government, the business sector was surprised to see the publication of the names of 223 business houses as defaulters; the owners, along with their immediate family members, are debarrred from all banking facilities. Not the remotest effort was taken to try to sector-wise or case-wise analyse the cause of the default. This act of the government is considered by many as the most drastic action against the private sector since independence which also speaks of a characteristic highhandedness and a total disregard to economic analysis of policy consequences that had led to many of the industries being sick in the first place.

Very few can deny that some sort of financial discipline is badly required in the banking sector and that wilful and delinquent defaulters should be taken to task. But this action of the government has failed to distinguish between a genuine borrower who is in problem and the shrewd manipulator whose sole intention is to swindle money from the bank. Instead the government is feeding into a commonly held misconception among the general public that bank-borrowing is "bad" and to be in problem with the borrowed money but still continuing with the business instead of laying off is a "crime". This is diluting the issue of wilful defaulters and is probably the greatest boon ever handed over to them by the government since the privatization drive.

If privatization is to continue, businesses must borrow and banks must survive and prosper. These two facts should be inseparable. If the contrary happens it is the government's task to find out why, instead of taking the easy way

out in 'witch-hunting' and crude appeasement of the public paranoia. The government must recognize that, as in any other country, businesses do run into trouble and in a vulnerable and unpredictable economy such as ours the reasons could be many. The recent government action conspicuously ignores such complications but commonly known issues as exchange rate fluctuations, over 100 days of strikes and hartals in which businesses have incurred interest and excess cost, carry over of government liabilities after disinvestment, etc., in discerning the reasons behind companies' defaulting. Where help is required the government has brandished its 'guns' and with a simple act of arrogance tarnished the already gloomy investment climate further.

It takes years to build reputation of a businesshouse which is destroyed by the single unplanned action of Bangladesh Bank. For most businesses, market goodwill is the most important asset. If businesses are to rejuvenate the economy with employment and much needed revival of economic activities, one doubts whether the government realizes that it is critically sabotaging its own longer term goals. The adverse effect of this action on an already sick economy in terms of direct, indirect, visible and invisible costs will surely be irreversible.

Many of the large business groups are comprised of a dozen or so successful organizations who are paying substantial sums of taxes and employing a large number of people. Some of them are now debarrred from getting banking facilities due to the default of only one of their companies. The other viable companies in the group are now deprived of working capital and finding difficulties in opening of L/Cs for raw materials which may cause them too to become sick and eventually join the ranks of defaulters. Companies that have shareholdings of any of the immediate family members

of any director of the defaulting company are also subject to this enforcement. Some of these companies are export oriented industries earning much needed foreign exchange for the country. Many of the large import houses have also fallen under this arbitrary rule of the government leading to a sudden fall in the opening of letters of credit of essential commodities. In a heavily import based economy such as ours the most obvious implication of such a sudden occurrence is an acute shortage of commodities leading to a sharp rise in prices. This is bound to set off a chain reaction of hyper inflation which will hit badly the fixed income group already ravaged by the progressively depleting purchasing power of their virtually static earnings. The less immediate effect of such a fall in imports will be the loss of substantial amount of revenue for the government from import duty and sales tax. This is specially significant since import duties constitute more than 40% of the government's entire revenue earnings.

Was there any other way to go about this business of house cleaning that the government deemed most urgent? Many would agree that there could have been more prudent ways. The government could have published the names of twenty to twenty-five wilful defaulters well-known to everyone and informed others to come to a settlement with their respective banks within the next two to three months' time. There could have been no harm in consulting the Chambers and the trade bodies in order to seek their suggestion and advice to sort out this problem which is as much theirs as it is the government's. Such an act would have enhanced a sense of involvement between the business community and the government and at the same time would have averted projection of an impression among the general public that the government is against the private sector as a whole.

M A Kalam Dhanmondi, Dhaka.

To the Editor...

Woes of telephone subscribers

Sir, Your columnist Mr. Khalilur Rahman's projection of the woes of telephone subscribers in your "Down To Earth" column on 14th June, 1991 is a true picture of subscribers' sufferings which the T&T Department had always tried to disown. In one of my letters under the same caption in your daily sometime back, I tried to focus some of the problems like frequent wrong and cross connections, fat billings, late receipt of bills with arrears and consequential difficulties in making payment etc, etc.

The T & T Department officials' comments in the column on the complaints of over-billing is only one side of the truth. That some subscribers are made to pay fat bills due to the mischief of a section of unscrupulous T & T employees under special arrangements with their 'favoured clients' can well be the other side of the truth. And one can well question: Are they not officials of the Telephone Department? Aren't the "honorarium" taken by them from 'favoured clients' individual gains? So how can the T&T official deny over-billing and individual gains? Is it not the responsibility of the senior officials to look into the genuine complaints and try to set things

right instead of claiming a clean breast of the Department and its officials as if whatever the subscribers say are all nonsense. A sufferer

Bangladesh as NIC

Sir, Mr Shahid Latif, in his column (June 11) has discussed the possibility of Bangladesh achieving NIC status in the near future. There are certain implications which need clarification. It is hoped he would address the same in his forthcoming columns.

What is the official definition of "NIC"? Who is the authorized body to define the term? Since international trade is involved, in exports the NICs are believed to be at a disadvantage compared to the special privileges enjoyed by the DCs and LDCs. There have been mixed reactions on Thailand's attaining this status. Malaysia, one of the fastest developing countries in the region, is reported to be resisting moves to be classified as an NIC. Internally it may be all right to reach NIC standard; but the advantages vary on the nature of exports. Regardless of the labelling, there is unanimity on raising the standard of living.

A. Mousaz Dhaka.

Campus violence

Sir, In my opinion, formulation of a 'code of conduct' for students' politics has become indispensable for smooth functioning of educational institutions.

At present, there are a number of parties in an educational institute: (i) the Administration headed by VC/Principal, (ii) the Teachers in general, (iii) the Teachers' Association, (iv) the Students' Union, (v) the students' Political Fronts, and (vi) the general Students. Unless the parties unanimously agreed to establish peace, discipline and congenial academic atmosphere on the campus, it will not at all be possible to redress campus violence. For this, I think all the political parties should sit together ignoring their philosophical differences to formulate a code of conduct' for the students in politics in the greater national interest.

One thing, perhaps it would be better to constitute inquiry committee to probe any campus incident by members of the judicial service who would be directly assisted by the law enforcing authorities. This will ensure impartiality and credibility of the inquiry and recommendations.

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