

Pragmatism in Malaysia

Malaysia has just set the stage for joining the ranks of advanced nations of the world by the year 2020, thirty years from now, with the announcement of the New Development Policy (NDP). This policy which replaces the controversial New Economic Policy (NEP), running its course during 1971-90, provides the framework for the Second Outline Perspective Plan. It is this plan that takes the resourceful Southeast Asian country to the next century.

A development plan drawn up by a country merits no more than routine attention of the outside world. In the case of Malaysia, especially with its new move, it is a different matter. The 20-year NEP which was adopted in 1970 had touched off a bitter controversy both within the country and outside. While it aimed at reducing poverty among the largely impoverished majority Malay community — officially termed as Bumiputras, meaning sons of the soil — it was seen, even by many foreign experts, as a racially-biased programme. True, its main thrust was to give Malay entrepreneurs 30 per cent equity in the corporate sector, as against a pathetic 2.4 per cent in 1970. However, with the implementation of the plan getting underway, the process of economic adjustment touched virtually every aspect of life in the federation, much to the disadvantage of the minorities, mainly the Chinese who constitute roughly 30 per cent of the population and the Indians forming no more than ten per cent. Bright young Chinese men and women — and many Malaysian-born Indians — lost out in the race for higher education and jobs, migrated to other countries and settled down. What was worse, many Malay entrepreneurs got large low-interest credits for their business ventures and let their new-found Chinese partners run the show, in a kind of back-door operation that was contrary to the spirit of NEP.

When in 1988, the Government of Mahathir Mohammad set up an all-party multiracial advisory committee to make recommendations on post-1990 policy, many regarded the exercise as window-dressing, and misgivings further increased when the Committee failed to reach any consensus.

While the opposition had been under the assumption that the old racially-oriented plan would be given a new lease of life, Prime Minister Mahathir has confounded his critics by announcing a new plan to replace the old one. Broadly speaking, the new one is based on the recognition that the targets set by NEP twenty years ago have been largely, if not fully, met and that a new plan should take into account "the needs of all Malaysians", as Dr Mahathir himself puts it. True, some racial quotas still remain, such as the 30 per cent ownership by Malays in the corporate sector, but they are no longer tied to specific deadlines. Meanwhile, the development programme aims at increasing investments from outside, offers incentives to the private sector as a whole and sets up projects which benefit the poorest segments of the society, such as Indian plantation workers and aborigines.

In a country where, since independence, race and politics had been in an uneasy mix, and had eventually influenced economic development, a major change in the scenario cannot take place in a matter of years. Old distrust dividing the races and lingering suspicions about the Prime Minister's own multiracial bonafides cannot disappear overnight. However, there is no doubt that Dr Mahathir has made a new start on the road to pragmatism. A country that, until a few years ago, was often described by foreign critics as a racial volcano now has a chance of entering an era of peace, with assured progress for all its citizens, regardless of race, religion and creed.

Absentee Ministers

Speaker of the Jatiya Sangsad, Abdur Rahman Biswas was faced with a tricky problem last Tuesday: how to conduct parliament's essential Question Hour without any ministers being present to answer the questions. It was the Ministry of Industry's turn to face the music Tuesday, but the minister, Shamsul Islam Khan, was not there to sing; what's more, as the ministry concerned had inexplicably failed to find answers to questions already supplied, nobody could deputise for the absentee minister either.

At the same time, the deputy leader of the House, Badruddoza Chowdhury, who was supposed to move an important bill, was also missing. He had gone with the prime minister to attend a ceremony to inaugurate a railway bridge (just to reassure baffled readers, there has not been a cabinet reshuffle, and Col Oli Ahmed is still the minister for communications, within whose jurisdiction railway bridges fall, and Badruddoza Chowdhury is still in charge of education, within whose jurisdiction railway bridges do not fall).

But the icing on the cake was the fact that all the cabinet ministers and most of the state ministers were missing. This kind of casual, indifferent attitude towards parliament by ministers is not only unfortunate, it is downright shameful. But even more seriously, this augurs badly for the future conduct of a parliamentary system of government. How can parliament hold the government accountable to itself if ministers think they can simply take-off whenever they feel like it? Exactly in what regard are the elected representatives of the people held in government eyes, when the deputy leader of the House finds inauguration ceremony of a minor bridge more important than being present in parliament? Does the Chief Whip not have a duty to see to it that the Treasury Bench is well-attended to ensure a meaningful day's session? This sort of questions should never arise if parliament is taken seriously enough. We know past governments have often treated parliament as irrelevant, but it is time to change old habits, and conform to the democratic spirit of the times. At this juncture, we can only hope that attitudes will soon be revised, and parliament — and our votes — be given their due weight and prestige.

Six republics and two autonomous regions that is post Second World War Yugoslavia. These are the broad categories and outside of them there are tinier groups. To complicate matters, within the borders of the same republic there are diverse ethnic and linguistic groups, who have a long memory of hostility and conflict and not much of a memory of living in harmony. Serbia and Croatia are the largest republics with thirty and twenty per cent of the country's population respectively.

The birth of the present-day Yugoslavia can be traced back to the Second World War, when under the inspiring leadership of Josif Broz Tito, the Yugoslavs untidily faced Nazi invasion. After the fall of Nazi Germany, it was the leadership of Tito, which unified this country of myriad ethnic strains into one nation. The cooperation between the USA and the USSR during the war rapidly degenerated into a Cold War and the Soviet Union extended her hold on to Eastern Europe. Joseph Stalin started making menacing gestures against Yugoslavia. Tito who had faced the might of Nazi Germany decided to stand firm. He received powerful support from the West and specially from the USA. The 'iron curtain' went up and with the birth of NATO and Warsaw

Yugoslavia Teetering on the Brink

by Arshad-uz Zaman

East and West were divided into two armed camps. If you travel by road from the western border of Yugoslavia which touches Austria and go East where it touches Bulgaria, it is a thousand kilometres flat. Thus Yugoslavia looks like a physical bridge between what was East and West Europe. In the East-West tussle fiercely independent minded Yugoslavs under the leadership of President Tito decided to carve out a place separate from the two blocs. This is the origin of the birth of non-alignment. True, the state of the world was suitable for the flourishing of non-alignment with decolonisation gathering gale force in all the continents and the newly independent countries finding a ready forum in the non-aligned group.

Tito, Cold War

The present-day problems of Yugoslavia can be traced back to the death of Tito but more so to the winding down of the Cold War of the eighties. Today the US-USSR Summit has become a routine affair. Dismantling of discarded weapons goes hand in hand with the pulling out their troops. A few days back Warsaw Pact was given an unceremo-

nialed burial. NATO is groping in search of a role in a totally changed environment. Non-alignment which made so much noise in the late fifties and the sixties and the seventies, and its members wooed by the two rival blocs, has really lost its raison d'être and with it Yugoslavia has lost its most important foreign policy platform. Thanks to the unstructured nature of this group, which does not even have a secretariat, it is conceivable that non-alignment will wither away without sound and fury.

Perestroika has added a new element to international relations. We witness a loosening of ties all around. The Berlin Wall has come down. Democracy and people's participation is the order of the day. Dictatorship is on the retreat all over the world and particularly in Eastern Europe. In the Soviet Union the banner of independence was first raised by the Baltic republics in the north and followed quickly by Georgia, Azerbaijan and Armenia in the south. Soviet Union has so far successfully faced the challenge because her political leadership at the federal level has remained intact. The central authority had to take recourse to the military to put down the rebellion. It is clear, however, that the old order of unchallenged authority over the vast Soviet Union has changed forever.

The basic difference between the Soviet Union and Yugoslavia is that unlike the Soviet Union, authority in Belgrade has simply collapsed. Tito prior to his death had set up an eight-member collective presidency. That institution has limped along so far. The present crisis began when the Croatian leader Stipe Mesić was about to assume the post of President. Objections were raised by Serbia, which is the most populous republic. The Serbs provide the largest contingent in the armed forces. The republics have their own local armed forces, but they are no match for the heavily armed Federal forces. Slovenia and Croatia declared independence in June, much the same way that Lithuania, Latvia and Estonia had done. There was political paralysis in Belgrade as Mr. Mesić was prevented from assuming the Presidency. Political squab-

bling reaches a dangerous pitch as charges and counter charges among the republics proliferated. Yugoslavia looked like splintering. The crisis assumed near civil war when Federal troops moved into Slovenia and were locked in battle against local forces. There were charges of bombing raids by the Federal forces. In the absence of political authority it appeared that the Federal forces were acting on their own, which of course created a situation of near civil war.

EC Mediation

It is in this dangerous situation that the European Community decided to step in. The vacuum created by the political paralysis in Belgrade has so far been filled by the EC mediation mission. A three men ministerial mission from the EC has so far succeeded in averting civil war in Yugoslavia. President Stipe Mesić has taken office, the Federal prisoners have been released and the armed forces have returned to the barracks. The guns have fallen silent. Thus a breathing time and cooling off period has been achieved to put back the pieces in place. The European Community has a very high stake in the

Yugoslav crisis because the events there have thrown the clock back. Ever since the French visionary Jean Monnet conceived of the idea of one Europe, his dream has been taking shape steadily and with the monetary union becoming a reality next year, another giant leap will have been taken in that direction. Britain, which somehow gives the impression of slowing down the march towards one Europe, has nevertheless gone ahead with the Channel tunnel. The Yugoslav events are a negation of this march towards one Europe, where other former members of Eastern Europe seem so eager to join.

The Nineteenth and the twentieth centuries have seen the march of the concept of Nation-States. The European Community is a post Second World War phenomenon due to special historical and geographical situation. As we approach towards the end of the twentieth century, we discern two clear trends. The days of the Nation-States are by no means over. At the same time it is evident that in a shrunken world tiny states are becoming less and less viable — economically. A synthesis of the two ideas should be on the agenda of the twenty-first century.

The author is a former Ambassador and Assistant Secretary-General, OIC.

Ghana's Uncertain Path to Democracy

by Cameron Duodu

Ghana has joined the procession of African states which have said they are committed to democratic reform and ending one-party rule. However, Ghana appears to be keeping in place laws of questionable justice and is apparently also seeking to "teleguide" the nature of reform.

GHANA'S leader, Flight-Lieutenant Jerry Rawlings, is reported to have said recently that he has doubts about the re-introduction of party politics into the country.

The statement may explain why the government, which claims to have embarked on the road to democracy, has not annulled certain of its laws which make democratic reform difficult and even impossible.

Rawlings has made it clear that he is ambivalent about reform, but he also says he is bound by the collective decision of his colleagues, who have accepted the findings of a government commission that "a generality of Ghanaians are not averse to party politics."

The ambivalence may explain contradictory aspects of the government's programme for returning the country to democracy after 10 years' rule by the Provisional National Defence Council (PNDC).

For example, despite the announcement of a return to democracy, Ghana still has a law which permits indefinite detention without trial. Another enables the government to refuse licences for newspapers, and a third bans the formation of political parties, thus effectively limiting freedom of association.

Such laws exist despite an apparent heralding of the government's democratic intentions with the establishment of a National Commission for Democracy, and the financing of a country-wide tour by the

commission to find out what form of government Ghanaians want to replace the PNDC.

The commission's report was sifted through by yet another "committee of experts" which would then draft a constitution to be put before the

consultative Assembly. The Ghana Bar Association reports that at the very time when the country should be carrying out a national debate on future options, the two national newspapers, the Daily Graphic and the Ghanaian Times, both government-owned, have been ordered not to publish views which oppose those of the government.

Since the government also has a monopoly on ownership of radio and television, it is able to direct virtually all public debate. Thus organisations whose views might be expected to receive nation-wide coverage — they include the Movement for Freedom and Justice, the National Union of Ghana Students, the Catholic Bishops' Conference and the Bar Association — have had to resort to pasting posters on walls to get their messages across.

But this can be a risky business. Two MFJ officials were detained and brutalised on May 25 for putting up posters in Accra. Their families spent anxious hours going from one detention agency to the other, only to be told that each agency knew nothing. Eventually the two men were tracked down and were released on hefty bail bonds. In addition, government interests are reportedly seeking to influence proceedings of the Consultative Assembly.

This is done through the election process. The Consultative Assembly is elected by district assemblies and by organisations nominated by the government. The rub for the opposition is that the district assemblies are not recognised as democratic institutions. One third of their members were nominated by government. The two-thirds who were elected first had to pass through a rowdy pre-election dominated by the PNDC's "revolutionary organs" — in particular, the "committees for the defence of the revolutions."

Those who believe the government has a hidden agenda point out that some of the government-appointed representatives to the Assembly are hardly those which would be expected to have much prowess at constitution-making. These include newly-formed or popular groups such as the Inland Canoe Fishermen, the Canoe, Fishermen, Butchers, Traditional Caterers, Drinking Bar Operators and Hairdressers.

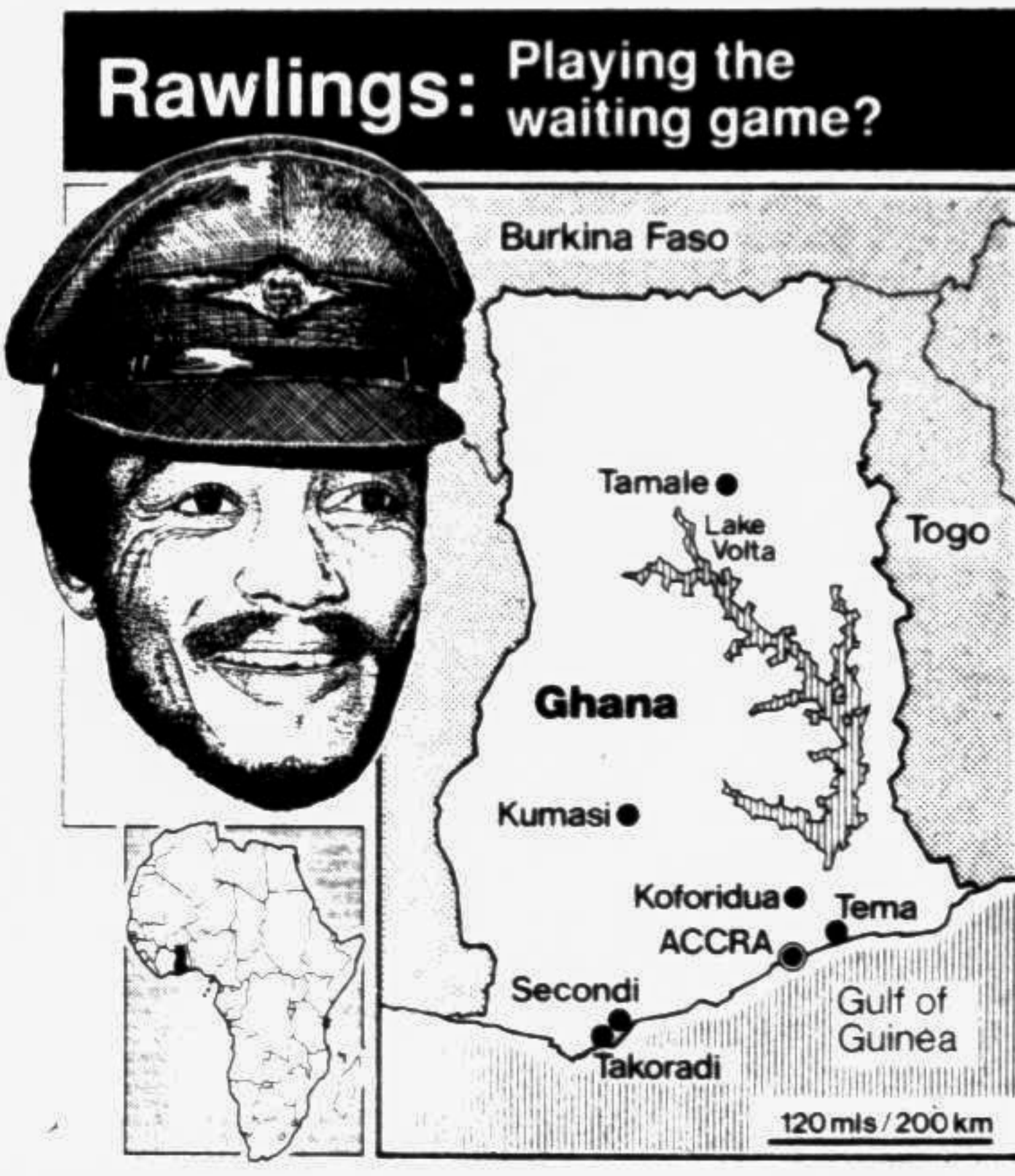
The public service is allocated one member and the civil service two, while the government's "committees for the defence of the revolution" are allocated no less than 10 representatives.

In addition, debate has been cut short by the imposition of a tough deadline for the election of representatives. Thus a branch of the Ghana Journalists' Association, which felt it had had no time to decide whether it even supported the reform process, is reportedly seeking an injunction to nullify the election of its representatives.

The question is, why is the government suggesting a possible return to democracy when it appears disinterested in listening to the people? The answer is that the IMF and World Bank, as well as Western donor governments, are increasingly demanding democratic policies in countries which seek assistance from them.

Ghana announced its reform programme just four days before it met a Western consultative group in Paris to ask for a continuation of an aid programme that has since 1983 brought it about \$600 million a year. This year it has obtained pledges totalling \$970 million. — GEMINI NEWS

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China

Using Capitalism to Save Socialism

Private enterprise continues to flourish in the world's most populous socialist state despite attempts to throttle it. Ramon Isberto of IPS reports from Beijing.

THOUGH the austerity measures of the last two years have been tough on China's budding entrepreneurs, private businesses are assuming an increasingly vital role in the world's most populous socialist state.

Private enterprise has powered much of the country's economic growth in recent years and become the indispensable source of employment for tens of millions of Chinese jobseekers.

The nation's communist leaders now say emphatically the private business sector is "an integral part" of the country's economy, prompting commentaries from Western media that Beijing is trying to make capitalism save socialism in China.

The long-term social and political consequences of the emergence of an entrepreneurial class remains unclear, though analysts say these are not likely to please the hardliners within the Chinese Communist Party.

Beijing's current pro-business attitude is the product of yet another swing of China's

political pendulum. In 1988, Beijing imposed stiff austerity measures in an effort to check runaway inflation and slow down the overheated economy.

When Premier Li Peng assumed office in the aftermath of the Tiananmen massacre in 1989, it seemed headline leaders were bent on using the retrenchment policy to reinstitute strong central planning and throttle the private economy.

The deep cuts in capital spending and tight squeeze on credit reduced the number of individual businesses by 15 per cent from its 1988 peak of about 14.5 million.

Other Chinese estimates indicated that the austerity regime drove more than three

million private entrepreneurs out of business.

Still, the private economy has displayed more vitality than the state sector. According to official figures, the registered capital of the private sector rose by more than 15 per cent in 1990, while the state sector posted only a three per cent increase.

Some estimates say private firms accounted for up to 70 per cent of China's industrial growth. Meanwhile, only a third of the 100,000 or so state firms are making money, exacerbating the government's huge budget deficit by taking up state subsidies.

But the private sector is perhaps most appreciated for its ability to generate badly needed jobs. From 1984 to

1990, it created 18 million jobs without using any state funds.

This nearly equalled the employment-generation record of state-owned firms which used up more than US\$25 billion in state investment.

Private business has drawn more and more ordinary Chinese, long accustomed to the security and guaranteed benefits of government jobs.

"The new rich in China are the shopkeepers and the stall owners," said tourist guide Huang Jianyong as he steered a group of sightseers through a Beijing street lined with stalls selling everything from acid-dyed jeans to car hubcaps.

Humble vendors selling pineapples to tourists, he said,

make about 1,000 yuan a month — about four times what the ordinary state employee earns.

As a result, the private sector is attracting some of the country's best and brightest, including members of the Communist Party.

Of the six million individuals engaged in business in urban areas in 1988, 210,000 were party members, 340,000 members of the Communist Youth League, and others model workers and deputies to the People's Congress, China's parliament.

One example recently cited in Chinese media was Sun Aiguo, 31 a youth league secretary at Shanghai University who set up a science and technology consulting firm.

employees and depositors, some of whom have their life's savings blocked, is indeed khurrum and deplorable. Khurrum Malik Agrabad, Chittagong.

Dhaka University

Str. The Dhaka University once boasted as the 'Oxford of the East' even during the early fifties through the late sixties, now appears to have lost both its glory and reputation. Once this renowned institution encouraged exchanges of books, knowledge and ideas among students, but today by virtue of time, condition or situation — whatever, I cannot simply justify the students had replaced those good habits with change of bullets.

Though his decision to quit a safe government job put him through a lot of arguments with his wife and family, Sun's business has been so successful that he is now planning to expand into tourism and garments manufacturing.

Sun was described as being typical of the new breed of Chinese intellectuals who see private business as the best means of realising their aspirations and using their talents.

The official attitude towards private business remains ambivalent at best despite repeated assurances that the government will protect its interests.

Officials now speak of China having a "planned market economy" that is socialist and relies on market mechanisms.

But while the party seems open to letting its members go into business, it doesn't seem comfortable about having successful businessmen join the party.

Millionaire transport magnate Liu Xigui has tried three times to join the 48-million-member Communist Party. He was turned down each time.

If we analyse the immediate consequences of the situation then we can easily see that (1) the standard of our education has diminished in a drastic way; (2) violence on the campus has simply thrown the fate of all innocent students to uncertainty; (3) our recognition to the outer world bears little weight almost sealing the prospect of our higher studies abroad.

To overcome all these hindrances we all should immediately extend our helping hands to find out means and ways how to solve these burning problems, so that the lost glory of Dhaka University can be restored at any cost.

Masood Akhtar Mobaraki The City Bank Ltd. Dhaka C/A, Dhaka.

To the Editor...

The raid on BCCI

Sir, In a Rambo style, the provisional liquidators, under the general command of Bank of England, raided the London office of BCCI in the early afternoon of 5 July and ordered the bank staff to stop working and leave the premises. Simultaneously other central banks in Western Europe and North America acted likewise sending shockwaves to the banking and financial centres across the world.

The target, BCCI, was founded in 1972 by Agha Hasan Abedi, a Pakistani banker, with assets now totalling 20 billion dollars having 350 branches in 70 countries. What indeed prompted Robin Leigh Pemberton, the

Governor of Bank of England, to take this drastic action would remain a mystery. Was it money laundering and concealed loan losses the only reason for shutting down the Bank, despite the fact the new owners of the Bank embarked on a radical restructuring programme to set the house in order? BCCI constituted a truly Third World multinational bank mostly manned by Asians and was able to match financial assets and network the largest banks in the world.

Drug money laundering by BCCI maybe true, but what about the Iran-Contra scandal during the presidency of Mr Reagan? Which bank handled the illegal transaction, where profits from sale of arms to Iran was used to finance the

guerrilla movement in Nicaragua? Or the Bofors scandal in India or Lockheed implicating former prime ministers and crowns of Europe in major international kickbacks?

We know of the famous numbered Swiss Bank accounts, a haven for ill gotten wealth where corrupt presidents and dictators stack their money by plundering national treasury. There are no international law of blacklisting these banks. Why then BCCI taken a 'goat' to prove banking integrity and cleanliness? The answer is obvious.

Under the UK Banking Act 1987, the Bank of England may petition to the court for compulsory winding up of a

bank. However, after the petition is presented the court may appoint a provisional Liquidator—Sec 135 Insolvency Act 1986. Under Sec 126 Insolvency Act 1986 any creditor or contributor can apply to have a stay of action i.e. the proceeding or action is stopped for a period of time. The Bank of England with regard to BCCI appears to have side-stepped this legal formality, making it a unilateral action devoid of a court decree.

The ultimate truth and shape of BCCI will come out in due course. However, the strong arm tactics of some western financial regulatory bodies in closing a major international bank without a thought for the redundant