Dhaka, Tuesday, August 6, 1991

Bangladesh and the **World Bank**

The five-day visit of the World Bank (WB) Vice President Attila Karaosmanoglu to Bangladesh, the first top level official of the organisation to come here after the new elected government assumed power, will provide an impetus to the ongoing review of the process of structural adjustments undertaken by the government on the advice of the Bank. In this context, the WB official, a welcome and familiar visitor, will have the benefit of knowing at first hand the views held by Prime Minister Begum Khaleda Zia on the issues involved as well as of discussing them with concerned ministers, including, of course, the Finance and Planning Minister Saifur Rahman whom the official has already met at recent meetings outside Bangladesh. These consultations should help to broaden the perception of Mr Karaosmanoglu of the challenges and prospects facing this country in the field of economic reforms at the most significant time of its political history in a decade.

The consultation is unlikely to produce any major decision as such, not even on the economic justification for the construction of the Jamuna Bridge, a subject for further study of the Bank. What the consultation should do - we hope, it does - is to strengthen the consensus that the process of reforms, ranging from the enforcement of discipline on financial institutions to liberalisation of imports, has been steadily gaining momentum. In this respect, the Bank official should be satisfied at least with the intentions of the government, incorporated in the budget, the industrial policy and the export programme in this order, if not with the results achieved so far.

Some divergences of views between the two sides are bound to arise. But they are likely to be more on the pace of reforms than on their substance. In all probability, the concern of the World Bank would be to hasten the process to ensure that it does not get bogged down in bureaucratic lethargy and political drift. On the other hand, the Government of Bangladesh may make a strong case for taking more time with structural adjustments in certain areas, say, on the withdrawal of all forms of subsides, the full introduction of VAT system and the enforcement of discipline in the financial sector. Here, Bangladeshi officials should refer to the recent assurance given by the Prime Minister to the representative chambers of commerce here that certain issues relating to the reforms, not so much the reforms themselves, will be carefully reviewed by her office. There should be no attempt by any high official here to water down this commitment.

Instead, the on-going review of the reform process should focus on the problems, including many misconceptions, which have cropped up mainly due to inadequate planning on the part of the authorities and lack of prior consultation with trade bodies by concerned ministries. While Prime Minister Khaleda Zia has taken some overdue steps to remedy the situation, the mood in the private sector, the key player in the World Bank-proposed reform programme, remains uneasy, unsure, uncertain. Since a section of private entrepreneurs put the blame for the crisis on the World Bank, it is important, almost essential, for Mr Karaosmanoglu to look at the overall situation carefully and to suggest to the officials here how the process of reforms can be put on the right track again. There is no longer any need for the Bank to impose any new condition! What is needed most is a frank and comprehensive discussion in which the representative trade bodies should be involved. In our view, this would be a sure way of turning the visit of the Bank official into a major success.

Not a Fish Market

A most unfortunate incident occurred in the Jatiya Sangsad the other day. An honourable member, perhaps forgetting the time and place in the heat of the moment, pointed his shoes at rival members to announce his displeasure at something or other. We do not question the fact that there may well have been good reason for the member to fell piqued. But what we do take serious exception to is the manner in which he reacted, which not only adversely affected the standing of parliament, but also projected a negative image of the party he represented to the public at large.

Not so long ago, another untoward incident occurred in the House when members from opposing Benches rushed towards each other and virtually entered into a fight. On that occasion, the press was accused of exaggerating the incident and thereby damaging the image of the House.

Now, there lies the real point: we all want to protect the sanctity of parliament and enhance its prestige in the eyes of the population of this country as well as of the rest of the world. But where does the foremost responsibility lie to ensure that is the case? It lies inside the Sangsad, squarely on the shoulders of its 330 members. After all, parliament will be what its members make it to be. Fistfights and shoewaving do not help matters, and we can only look on aghast.

For the first time, we have a parliament which is truly representative of the will of the people, and not unnaturally our expectations are high. We have seen four parliaments come, fail in their duties and go. This Sangsad has already proved to be by far a more effective assembly, raising and debating issues relating to our daily lives as well as fundamental ones affecting the overall socioeconomic and political development of the country. We have watched the proceedings enthralled and with a sense of triumph: Yes, we too can produce a civilised, democratic institution which will not only hold the government accountable to itself, but also guide the nation towards greater freedom and prosperity.

But all that could be undone if the members fail to behave in the manner they should inside the House. Differences will surface, even tempers will flare, that is all part and parcel of the process. But the kind of behaviour we saw on Sunday and earlier are emphatically not acceptable. We can do well without setting such examples. Parliament is a debating and legislative house, not a fish market.

Cambodia Teeters on the Brink of Peace

OR the first time since we ousted Pol Pot over 10 years ago, there is a real chance that peace is now about to return to Cambodia," said a senior official in the Hun Sen govern-

The international community, it seems, is no longer prepared to see the 12-yearold civil war grind on unnecessarily. More importantly, there has been an intricate web of diplomatic activity around two meetings between Hun Sen's government and the three guerrilla factions led by Prince Sthanouk.

The first of these was held at Pattaya in Thatland, where no fewer than 14 agreements were initialled. The most important were the implementation of ceasefire, and a proposal to set up the offices of Cambodia's Supreme National Council (SNC) in Phnom Penh, the capital

The second meeting, in Beijing, was equally significant. It was the first such meeting on Chinese soil, marked by Beijing, as the major backers of the Khmer Rouge, allowing Hun Sen to attend.

Both advances in the peace process are believed by commentators to reflect an improved relationship between China and Vietnam. China, disappointed at the failure of the last Jakarta talks, has actively support the idea of a ceasefire and has put pressure on their proteges, the Khmer Rouge, to accept it as well.

When Vietnam Foreign Minister Nguyen Co Thach lost his job at the 7th party congress, he said there had been a lot of negotiation between Chi-

nese and Vietnamese leaders. Observers believe that Thach, renowned for his stridently anti-Chinese position, may have been dismissed as a result of the growing rapport between Beijing and Hanoi. There is now talk of possibly opening their border which

by Larry Jagan

The Cambodian peace process is quickly picking up pace following successful meetings between the four Khmer groups in Thailand and Beijing. In addition, discussions at an Association of South-east Asian Nations (ASEAN) meeting made it apparent that a peace settlement based on UN proposals is definitely in the pipeline.

was the scene of bloody fighting between them in 1979.

Since it was announced that the SNC would set up in Phnom Penh there has been a rush to recognise diplomatically the legitimacy of the Cambodian interim govern-

Australia was the first to appoint an ambassador to the SNC, a task which will be carried out by its envoy to Thailand. The French, Indonesians, Japanese and Canadians have followed suit, and Thatland has said it will reopen its embassy in Phnom Penh once the SNC has opened its offices.

Australian recognition was a natural consequence of Canberra's initiative, with France and Indonesia, in getting the

UN peace plan off the ground, but there is little doubt that all the countries now rushing to court the SNC have economic advantage in mind.

The French and the Japanese are particularly concerned to participate in Cambodia's post-war development. The Japanese and Thats are already heavily involved in stripping the country's foresty reserves. And the French have just announced they are to bid for petroleum exploration

This international interest, despite the continuing war, reflects Cambodia's flourishing business activity, especially in Phnom Penh, and government encouragement of private enterprise. Reflecting this encouragement is the new

Cambodian Commercial Bank set up in a joint venture with a That bank. A That company recently took over two textile factories in Phnom Penh. bringing to 12 the number of factories in the capital run by private investors. Thirteen more agreements have been

Aid is trickling in much more slowly, and Raoul Jenner, a non-government organisation adviser, warns against a flood of capital that Cambodia could not cope with.

"What Cambodia needs most, is larger-scale bilateral aid to help rebuild its devastated infrastructure," he says. The aid trickling in is only a fraction of that which the Khmer refugees, under the Sihanouk-led coalition, reThe aid is expected to pick up with the diplomatic break-through, and already Japan has said it will provide Cambodia with more than half its needs. but it is waiting for more signs

The scramble for trade and investment is currently led by Thailand and Singapore, with Japan and France not far be-

that the civil war is about to

A sign of growing international respectability came with a highly successful visit to France by Cambodia's number two, Chea Sim, president of the National Assembly. Chea has been a tough critic of Hun Sen's more flexible policies, and his participation in international affairs reflects a new united leadership. Chea has since visited Japan and has been invited to South Korea and Taiwan.

Chea Sim asked the French to invite Prince Sihanouk, who, as the former monarch of Cambodía, is seen as the key to a negotiated settlement, and his wife Monique to return to live in Paris. It is expected to be granted. This would strengthen French connections with Phnom Penh diplomatically and make access to the coalition leader much easier for Phnom Penh. The Prince currently stays in Beijing, thus restricting access to him, or Pyongyang, which is remote.

Prince Sthanouk is returning to Cambodia for two months in November, ostensibly to bury his late mother-inlaw in Cambodian soil in accordance with Khmer custom. He is also about to turn 70, and

is known to want to celebrate a traditional birthday in Phnom The Hun Sen government

may want Sihanouk in Phnom Penh, but the Khmer Rouge do not. They do not trust the Prince. They never have, and fear that if comfortably settled there, Sthanouk and Hun Sen might carry out a deal isolating the Khmer Rouge.

For its part, the Hun Sen government worries for Sihanouk's safety if the Khmer Rouge decides he is either of no further use to them, or, more ominously, he is an obstacle to its returning to power. Chea Stm told French Foreign Minister Roland Dumas that Sthanouk's safety could be better guaranteed in France than in either Beijing or Pyongyang.

Sthanouk and his wife fear that the Khmer Rough will kill than if they consider they have betrayed the Khmer cause. This fear has long influenced Sihanouk's position, often causing him to change his mind about dissociating the Khmer Rouge from the coalition. However, the Chinese, mentors of the Khmer Rouge, have so far not made Sthanouk think twice about his plans to return to Phnom Penh.

The Hun Sen government obviously sees the new Chinese role as crucial to solving the decade-long conflict. The head of the Phnom Penh municipal government, Hok Lundt, said he expected the capital's thriving Chinese community to play an important part in efforts to improve Cambodian relations with China.

If this optimism is borne out then an end to the 12year-old civil war may really be in sight. - GEMINI NEWS

LARRY JAGAN works for the BBC World Service. He was formerly editor of Inside Asia magazine, and then worked for Radio Netherlands.

Cambodia: From war to peace



1954 Independence from France 1970 Civil war 1975 Khmer Rouge takes over

1990 UN peace plan proposed June: Supreme National July: Four Khmer factions meet informally in Beijing

THE FUTURE OF EUROPE — II

Curbing Negative Factors: Role of EEC

by Serge Degallaix

Special to The Star

OPES, expectations and fears are emerging from the end of a stable world with its own regulatory mechanisms. A new world, less stable and predictable is born. Risks and uncertainty have replaced threat and stability.

The efforts made by European Diplomacy was to curb negative factors, to defuse tensions and to foster all the positive evolutions of a new

The EEC is a magnet for most other European countries, western as well as central and eastern countries and for non-European states like Morocco. These countries want to join the 12 memberstates to benefit from enhanced trade opportunities due to the single market and to share the decision-making power, to receive the financial assistance provided by the EEC budget to the least developed areas of the Community etc.

In this regard, the crucial question remains the same since the birth of the creation of the "Common Market". There is a tough choice to be made between the deepening of the Community and the widening of it. Since the beginning, the pressure has been very strong and even irrepressible to open up the Community. From six signatories to the Treaty of Rome in 1957, the member states now number 12 and may be 14 soon with Austria and Sweden

which have applied for membership, and even more in a short period of time with possible membership of other countries belonging to European Free Trade Association (Norway, Finland, Iceland, Switzerland).

Even, if after a transitory period, new members have to comply with existing rules of the EEC, the risk is inescapable: a great number of

convergence of economic poli-The second treaty deals

with the Political Union and some precise topics as foreign policy, European defence, powers of European Parliament

France is advocating some

lovakia. They will offer a free trade zone in two phases of five years each, a substantial financial assistance and other facilities. With the Soviet Union, a cooperation agreement was signed in 1989, and the Rome Summit in 1990, proposed a broader agreement to

an important role to play for the security of the Continent.

Last November, the signing of the Paris Charter by 34 countries marked a historical milestone in the history of Europe. The Paris Charter offers institutional means to defuse tensions and to create conditions of stability in a world now more fragile than in the ancient order founded on the "equilibrium of terror".

and the impossibility now for a surprise strike by one of the powers in presence. A new meeting of the CSCE is to be held in Helsinki in March 1992, meanwhile negotiations on disarmament and

measures of confidence will go

on in the wake of CFE.

was also decided and will be

Conventional Forces in Europe

(CFE) was also signed in Paris

at the same time. It means the

end of the cold war with a

parity in conventional forces

between the 22 signatures

The treaty on reduction of

In the financial field, a very transnational infrastructures

The EEC constitutes a first level of organisation for Europe, strengthening herself but in a dynamic relation with the rest of Europe and the Third World.

unprepared members can weaken the Community and prevent her from becoming a strong pole of stability in Europe. So, the Community is pursuing two policies: to build a resilient Union by tightening the political, economic and financial links between the Twelve and, in the same time, to show willingness to negotiate specific agreements with partners which want to be closer to the EEC.

At the Summit of Rome, in December 1990, it was decided that two new treaties would be negotiated for entering into force by January 1,

One is the treaty for Economic and Monetary Union (EMU) which will decide over the timing and methods for the creation of a single currency managed by Euro Fed, playing the role of a central bank and allowed by

breakthrough for foreign policy with a two-tier system : unanimity should be required at the level of heads of state and government for the fundamental choices while the Council of Ministers would be in charge of implementing the decisions taken at the Summit level according to the rule of qualified majority.

For Defence matters, France is in favour of the emergence of an European pillar within the NATO system. Western European Union (WEU), a security organisation are nine members belong to EEC, should play an instrumental role and, by the end of the decade, become a part of the EEC machinery.

With the Eastern and Central European states, trade and cooperation agreements were signed in 1988, 89 and 90. Association's Agreements are being discussed with Poland, Hungary and Czecosbe discussed.

The EEC constitutes a first level of organisation for Europe, strengthening herself but in a dynamic relation with the rest of Europe and the Third World.

The Conference for Security and Cooperation in Europe or, CSCE is another level and has

New mechanisms were added to the previous process of regular consultations:

- Regular meetings at the level of heads of state and government (every two years). as well as between foreign ministers (every year) - High officials can meet on request while a small secretariat, based in Prague has been set up.

- A center for prevention of conflicts has been created in Vienna.

- An office for free elec-

set up later.

original institution was set up, the European Bank for Reconstruction and Development. A joint entity in which Western countries, East European countries, the USSR and others are shareholders. Status mentions the principle of democracy as a condition for loans while, the Bank has enough financial teeth the means to promote privatisation, technical assistance and cope with projects such as protection of the environment,

Concluded

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and

Marı of the year

Sir, American Biographical Institute has nominated a Banglades hi (Chief Executive Director of Hotel Agrabad, Chittagony) its Man Of The Year-1991. This prestigious decoration has especially illuminated the social service-oriented specialities of courteous Banglades hi hotel personnel.

Even with such a graceful recognition for extraordinary activities as an impetus to the glamorous guest trade, the hospitality industry in the country has been faced lately with a variety of drawbacks chiefly covering Star-rated hotels of international chains in the capital mostly owing to the political instability coupled with lacking tour attrac-

Having added dynamism to the promotional efforts through innovative programmes and services emphasizing comfort, pleasure, novelties, and education toward more personalized care of the residents can help posh hotel business, in collaboration with the travel and tourism establishments, enrich national economy as well as the biographies of the hotelmen.

M Rahman Zíla School Road Mymensingh 2200.

'Abandoned property

Sir, Most often letters appear in newspaper columns on the above subject. Nearly 20 year have passed and the earlier governments never cared to give justice to their citizens whose properties were declared abandoned inspite of their alltime presence here, and held up their cases for release of their houses, without any judgement since

long. Strange it is in some cases that even the owner occupied houses had been declared abandoned by the then governments. The present government of our cherished democratic desire were believe would be kind enough to end the hardships of those houseowners and citizens who are passing their days with their families in most of complications for the last 20 years. Though very late, but justice they deserve.

An Affected citizen

Elvis Presley

Sir, I am an Elvis Presley fan and I was very glad to learn about the proposed Elvis Presley fan club of Bangladesh from the letter section of your paper (July 30). I would very much like to contact Mr. Adeb Reza (the winter of the letter) but his full address was not published along with his letter. I would be very grateful to get his full address or telephone number so that I can contact him.

Faizal Wahed Chaudhury B-2 (Falgunt) /E-1, Eskaton Garden Road, Dhaka-1000, Phone: 402213

With other countries like Turkey, Malta or Cyprus, Association's agreements have been signed, while for the rest of the developing world, protocols of assistance have been concluded and special facilities granted to LDCs by the member States.

tions exists now in Warsaw. - The creation of an Assembly of representatives from different national parliaments

Acute African Angles,

ECENT events in Africa have been the harbing-L er of both positive and negative change. Positive, in that the last remnants of colonialism and racialism are finally beginning to crumble. A peace treaty has been signed in Angola and, slowly but surely, dictatorial regimes are becoming a thing of the past.

As a consequence of perestroika, and the downfall of 'real socialism' in Eastern Europe, Africans have began to voice loud disapproval of oneparty regimes and demanding a change to political pluralism

But there is a negative side to the coin: the vast majority of African nations still find themselves in the grip of appaling backwardness and poverty. At least 20 million are starving on the continent; around seven million of them are in Ethiopia.

It is a fact that the USSR has made its contribution to the mess Africa now finds itself in. A number of dictatorial regimes, underpinned by active Soviet military, political and economic support, have flourished there; this was justified ideologically by claiming that the establishment of 'revolutionary-democratic' 'dictatorships' and even the

such class existed, was a progressive step. The downfall of the last Marxist regime in Africa - as the government of Mengistu Haile Mariam is called, empha-

by Farooq Mehdi sises once again the bankruptcy of Soviet policy in

Africa, and the historical era

which engendered in. The USSR spent enormous sums on aid to Africa, a contributory factor to the economic crisis it is currently enduring. It will probably never recoup the multi-billion loans it provided, which have brought minimal benefit to the USSR or the African states it

has tried to assist. There are plenty of apologists for this particular Soviet foreign policy disaster. Some argue that in the wake of the sudden appearance of dozens of newly-born states, the creation of a crops of African 'specialists' in the Soviet min-

istries was too hasty. Others point to the intellectual and moral bankruptcy of decision-making and the dead weight of ideology in the USSR's political and economic dealings with the African states, particularly during the Brezhnev era.

But these are only symptoms, not the root causes, of the Soviet-African malaisc.

The USSR committed a strategic error, a by-product of dictatorship of the proleits dogmatic world view, when tariat', in countries where no it set itself the task of winning the 'Battle for Africa' and directing the continent along a socialist, non-capitalist, path of development.

> The countries which, with Soviet prompting, styled

themselves as 'progressive' found themselves in a confrontation with the West - as disastrous to the USSR as it was to them. What the experience has

demonstrated is that barracks socialism' simply does not work. Despite huge injections of resources, the USSR failed to help others or benefit itself from economic cooperation.

Yes, at some point the USSR did 'win the battle' for a substantial number of African states, but those victories rapidly turned into retreats.

The Soviet model for Africa mimicked what existed in the USSR: collectivisation in agriculture; industrialisation without regard for specific local circumstances; the Soviet-style solution of the 'national question', often by repressive measures; the restriction of private initiative and enterprise and the establishment of tough one-party regimes.

The end product? Economic collapse; deep soc. il crisis; the aggravation of interethnic disputes and — often civil war. 'Progressive' regimes were gradually tranformed into military/police states, with all their resources earmarked for repression; thus they dug their own graves. Perestroika has demon-

strated that the old view of the laws governing social development is fundamentally flawed; this applies to Africa too. Now the USSR will have no choice but to re-think its strategy on Africa.