

A New Agenda for NAM

Born in the shadows of the Cold War the Non-Aligned Movement (NAM) is now faced with the task of finding a new role for itself. Some argue that as the Cold War ends, and along with it the ideological struggle, so should the need for NAM. This simplistic view can only be put forward by those who never saw the NAM for what it really was — an attempt by the developing countries to assert themselves in the international arena. Yes, NAM was born out of a reaction — reaction to the pressures from the West, especially of the United States, to become aligned in the ideological struggle against the socialist bloc. As Churchill announced the descent of the Iron Curtain, the developing countries of Asia, Africa and Latin America were forced to choose — through political and economic pressure — to be on the 'right' side of that divide, meaning the West. It was to protect the economically weak and nascent states, freshly out of the colonial clutches of the European powers, that Tito, Nkrumah, Nehru, Nasser and Sukarno pioneered the non-aligned movement, which in its hey-day reached a membership of more than a 100 countries.

Much water, as the saying goes, has passed through the rivers since then. It is a different, and in many ways, a better world that we now face and it is in this era that the task has devolved upon us to find a new *raison d'être* for NAM. The first and foremost task that NAM faces now is to transform itself from an organisation that shielded the developing countries from being drawn into the ideological battle of the super powers to one that actively promotes the economic and social advancement of the developing world. In other words the focus of NAM will have to shift from East-West to the North-South issues. The ground work of such a shift was laid in the 1973 NAM summit in Algiers where the resolution to launch the New International Economic Order was adopted. Subsequently due to lack of sincere follow-up on the part of NAM countries and the rather shortsighted policies of some of its more advanced members, the economic agenda of NAM did not make the progress that was expected.

The just concluded 10th meeting of the NAM Foreign Ministers adopted a report aimed at meeting the new challenges. NAM ministers have demanded the establishment of pluralism in politics which is an indirect way of hinting that many developing countries could do with some more democracy and freedom. They have also called for greater co-operation with the West especially in solving the problems of debt servicing and technology transfer. A very pertinent point of reforms in the United Nations was called for, especially in the Security Council, which the NAM Foreign Ministers felt did not reflect the enlarged membership of the world body. The issues of removing 'Third World' poverty received high priority in the meeting, for NAM continues to reflect the need of the poor and impoverished masses of the world. As their representative NAM is morally obliged to make the problems of their development the central agenda of the international community.

We are gratified to note that the final report of the NAM Foreign Ministers meeting reflects most of the points raised by our Foreign Minister. We compliment him for the leading role he played in the deliberations of the meeting and for being able to include the ideas put forward by Bangladesh in its final outcome.

Judges under Fire

In Britain, as in a few other countries, there is no shortage of causes, including some unpopular ones, to fight for. Some of these campaigns, often waged by small minorities, create waves to the discomfort of the establishment, like a recent call that the British monarch should pay income tax on her enormous wealth. There is nothing the establishment can do about what it might privately regard as unpleasant fall-outs of the freedom of expression enjoyed by the people in Britain.

Now, it seems, the judges in Britain have become the object of a controversy, which has been picked up by the press and broadcast by BBC for world-wide attention. How far do the judges who plainly detest being involved in any public controversy view the discussion remains a matter of speculation.

The controversy has been touched off by a demand from a little-known group, called "Charter 88", that the system of appointment of judges in Britain should be modified to reflect the changing social structure in the country. It argues that, under the existing system, the judges tend to be pro-establishment in their views, apart from being too old to understand the contemporary trends in today's Britain. In short, they are out of touch with the reality. What's more, the group complains that the representation of the minorities and women on the bench is hopelessly inadequate, if not dismal.

In view of the support the group has generated even people in the legal profession, the British judges, if not the judiciary as a whole, have ceased to be a sacred cow. However, several important personalities have jumped to the defence of the status quo. This is not surprising. After all, any system that has survived centuries, like the hard core of the British judiciary, serving as a model for other countries, including Bangladesh, must indeed be very strong in its foundation. But, then, it is possible that its own inner strength and its superb confidence in its own near-infallibility may have made this unique institution just a little insensitive to the need for changes.

There is a saying that even in advanced countries, the society moves forward faster than tradition-bound institutions. This, some say, is particularly true in the case of Britain. Now that a wind of change is sweeping through more than half of Europe, demolishing old myths and destroying sacred taboos, one wonders how long it will take the other half of Europe, feeling a little smug in its own sense of security, to feel the blast. Which institution will be hit first?

The Charter 88 has provided just one signal asking for a change in one important British institution. One wonders what will be the next signal about.

Apologues our editorial of Saturday on Ustad Alauddin Khan: the statue in Kalyanpur is of Ustad Alauddin Khan of the Jaipur-Atrauli gharana and not of the great maestro from Brahmacharya, the latter having no connection with Maharashtra. That unappreciated mischief by the printer's devil was less than funny.

NEW DELHI — In the 1980s, the Indian economy went through major qualitative changes. Breaking away with the past trends, in the Sixth Five-year Plan (1980-85), the economy grew at about 5.2 per cent compared to the annual average rate of only 3.5 per cent in the previous three decades.

But this was not a smooth transition. The beginning of the Sixth Plan coincided with the second oil shock putting severe pressure on India's balance of payments. India entered into an Extended Fund Facility (EFF) arrangement with the International Monetary Fund for about \$5.8 billion dollars. But the change in economic policies initiated in the Sixth Plan gave boost to exports and the balance of payments difficulties eased. In fact, in 1984 India decided not to draw the last instalment of \$1.4 billion dollars under the EFF arrangement. However, in the second half of the '80s during the Seventh Five Year Plan, the economy faced major difficulties in spite of a GDP growth rate of 5.5%. The Seventh Plan (1985-90) emphasized the role of the private sector more than in any previous Plan. It reflected a noticeable move towards policy reforms which were under contemplation in the preceding several years. In early 1990, the domestic market was deregulated over a large area and a 3-year import-export policy was drawn up setting a goal for reducing the trade gap. It also involved removing many procedural and administrative constraints which were hindering trade.

The growth of foreign trade in that period was significant. Imports went up from about 4 to 10 per cent of the GDP. This was accompanied by other adverse developments such as a rapid growth in budgetary deficits, increase in the rate of inflation, and a rapid growth in India's external debts — both short-term and long-term. Over and above, the population growth rate which was projected to come down to 1.5 per cent continued to hover around 2 per cent.

The recently announced reforms in the industrial, trade, exchange rate and fiscal policies will undoubtedly bring significant changes in the production structure of India's economy. These reforms have received praise both internally and externally, most of all by aid agencies and the international community. The Brettonwoods institutions believe that India has 'great international potential' and that the recent policy reforms will help to realize the potential faster.

The Indian experience shows that transition from a regulated economy to liberal-

AN EXCLUSIVE INTERVIEW WITH THE FINANCE MINISTER

Reforms Set the Stage for a Thrust in Indian Economy

by M Syeduzzaman
Guest Columnist

ization can face more hurdles in democracies. The politicians of the ruling party, long used to authority and control, particularly on public enterprises, are reluctant to give up their hold. So are the bureaucrats. The vocal left in India and activist intellectuals spared no time in criticising many aspects of the new policies. The generation of industrialists who prospered in the era of import substitution also raised their voices. Intention to divest Government equity in public sector enterprises raised confusing questions of political economy, social justice and equity. In many countries including Bangladesh, similar factors, have delayed or obstructed needed policy reform measures even where rationale for policy changes have been clearly established on professional and economic grounds.

chitect of these policies, have received assaults on the intellectual front. Quoting Galbraith on his piece on "Rushing to Capitalism" many economists feel that the Brettonwoods institutions may be having a "premature celebration" on changing economic philosophies in India, and for that matter in other South Asian countries. Some economists have gone so far as to draw a parallel between Dr Manmohan Singh's policies and the Mahalanobish plan insofar as the new strategy is completely silent on the agriculture sector. In my discussions with several top economic policy-makers, however, there appeared to be a belief that the strategy in the agriculture sector is, by and large in place. There are others who would

less for policy reversals. It is in this context that I have just interviewed Dr Manmohan Singh, the Indian Finance Minister who enjoys high reputation and prestige both nationally and internationally for his intellectual attainments, administrative abilities and pragmatic approach. I have known Dr Singh as the Chief Economic Adviser to the Government of India, Finance Secretary (Department of Economic Affairs) and, Governor of the Reserve Bank of India. For a while he was also appointed Deputy Chairman of the Indian Planning Commission, before joining his last assignment as Secretary General of the South Commission. The discussions are recorded below in the form of questions and answers.

economic restructuring the Government and the politicians will have a greater opportunity for dealing with basic social services. If credible programmes are presented to the people and implemented, democratic forces will get a boost and there will be a faster progress in alleviation of poverty.

SZ: To what extent the new economic strategy and policy package introduced recently in India is the outcome of internal realities and to what extent have the external environment and external forces influenced them?

MS: We do not operate in a vacuum. In today's world internal and external economic environment interact in a complex way and India is no exception. But the policies we have adopted are born out of our own experience. For example, even after 45 years, our

"Even after 45 years, our foreign exchange difficulties continue. Past policies have not produced results as far as external sector is concerned. We had to do serious rethinking. The new policies reflect this new thinking..."

Dr Singh

Needless to say that economy reforms can succeed only when these are implemented with broad-based political support. As an Indian commentator has recently mentioned "An economist's dream may be a politician's nightmare". To the extent opposition political parties did not create a political crisis and to the extent the initial unhappiness within the Congress Parliamentary Party also seem to have been assuaged, it may be concluded that the new economic policies in India now enjoy more support than opposition. Nevertheless, many commentators in India have observed that it would have created a much better political tradition if the ruling party had taken the opposition leaders into confidence before finalization of the new measures. This is something which has also not happened in the other two countries of South Asia who have introduced economic reforms i.e. Bangladesh and Pakistan. In fact in Bangladesh strong opposition to some rational measures came from within the party in power.

It is not surprising that in India with a large number of able economists, the new economic strategy of Dr Manmohan Singh, who is believed to be the principal ar-

disagree and point out that the agriculture sector has been penalized through raising costs of inputs. Policy makers point out that the new policies have eliminated any discrimination between agricultural and non-agricultural exports, and government retains effective instruments for intervention in the major crop sectors (cereals, cotton, jute, etc) if found necessary.

Economic and political environments cannot be replicated between countries. But it will be unwise to ignore what can be learnt from experiences of other countries. It is expected that policy-makers of the new Government in Bangladesh will keep these in view and respond to compulsions facing the economy realistically for short, medium and long term benefit. For a democratically elected Government there is no need to put every single administrative and economic measure to vote before organized groups and lobbies. In a sense the populism of some politicians in Bangladesh might as well have become a policy maker's nightmare. The present and future Governments of Bangladesh must handle the twin issues of economic development and democracy efficiently. There is no room for temporizing, far

Questions and Answers

Syeduzzaman (SZ): New economic policies being adopted by many developing countries in general including policy reforms recently introduced by India will significantly reduce the role of the Government. How do you see the future role of politics and politicians in India in this context? With largely reduced direct control on the economic life, the politicians will have much fewer issues to make promises upon. Would you agree?

Manmohan Singh (MS): The Government will have plenty of basic things to do in the new situation. The Government will have to be more active on social services, agriculture and rural development, and management of the environment. These are things which the market and the private sector cannot do. Moreover, improvement of the law and order situation will remain a major challenge to the Government. The politicians will have to place before the people credible programmes for raising their level of living. There is no danger in any country with introduction of market oriented economic policies that the politicians will be short of work. In fact, with

foreign exchange difficulties continue. The past policies which we have followed have not produced results as far as the external sector is concerned. We, therefore, had to do serious rethinking. The new policies are a reflection of these rethinking and exercise. Like several other South Asian countries productivity of investment in India has declined. If we have to be competitive, we have to change the environment and provide opportunities for modernization and technological improvement. If our new industrial policy succeeds, and industrial growth is realized as envisaged, Government revenues will also grow and provide resources for Government's social sector programmes.

SZ: In your view, with outward-looking market oriented industrial and trade policies will South-South cooperation expand or shrink?

MS: In my view, such policies can only enlarge the areas of cooperation. If developing countries of the 'South' flourish, it will be a source of strength to other developing countries. A growing Bangladesh economy and prosperous Bangladesh can be a source of strength for its neighbours. Growth of the 'South' will increase the poten-

tial for newer international and dynamic competitive advantage can be realized. If the economy grows faster, then the fear of trading will disappear. The extent of cooperation between neighbouring developing countries including those in South Asia is larger than is commonly believed. For neighbouring countries everywhere, the quantum and nature of cooperation is not always caught in official statistics.

SZ: Looking at the South Asian situation, one can see that the number of people in absolute poverty is not declining and in fact increasing in many countries, same is the case with literacy, population growth rate is not under effective control, environmental degradation is rampant in all countries, official development assistance (ODA) to South Asia is on the decline, the share of South Asia in global trade has declined, and South Asia has been unable to attract direct foreign private investment which is flowing on a significant scale from Asian NIC and Japan. In fact South Asia is being marginalized in the global context. In this situation should the South Asian countries sit idle? Is there any scope of collective initiative or should the countries continue to pursue individual policies?

MS: South Asian countries cannot sit idle. Well, things have deteriorated, as you have described. But there are opportunities and potential for collective initiatives in several areas. In this situation, however, the primary responsibility will still be with the national governments. For example, sound macro-economic policies and investment priorities are necessary pre-conditions for addressing many of the issues mentioned by you, particularly trade and investment. The countries of South Asia should individually pursue such policies and simultaneously look for enhanced cooperation. Better national policies will not only be beneficial to the countries themselves, but will also create conditions for greater cooperation. For example, if one country gives over-protection to its industries through exchange rate policy, then it is likely to have an adverse and distorting impact on its neighbouring countries. There may be many such examples. The SAARC framework can be used to look for opportunities for greater cooperation in a number of areas which have been identified. Side by side with rational policies for trade and industry, the South Asian countries have to pay greater attention to the social sectors also for human development without which other policy initiative will be inhibited.

SZ: Thank you, Dr Singh, for your time.

Muslim Factor Alarmed the Kremlin Hawks

by Daya Kishan Thussu

The coup against Gorbachev was an attempt to thwart the Union Treaty that greatly increases the economic and political power of the republics. An additional reason for alarm among the Kremlin hawks was the growing influence of Islam among the 60 million Muslims in the Soviet empire's southern frontiers.

THE coup in Moscow the day before the Union Treaty was to be signed was more a result of domestic problems rather than for foreign policy considerations. The Treaty would strengthen the republics at the expense of the centre.

The coup leaders said that they had changed the leadership to overcome "the profound and comprehensive crisis, political, ethnic and civil strife that threaten the lives and security of the Soviet Union's citizens and its sovereignty and territorial integrity."

Kremlin hardliners were alarmed by moves by the 15 republics to take control of their resources.

Senior officials from all the republics met in July to work out the deal by which Soviet diamonds, gold and hard currency reserves would be divided among themselves.

And the democratically-elected president of the Russian Federation, Boris Yeltsin, said on a visit to the main oil-producing region of Tyumen in early August, that oil and gas industries in Russia should come under the jurisdiction of the Russian Federation before August 20.

While the Soviet Union was undergoing the "Second Russian Revolution," the Southern Soviet republics were quietly speculating about the possibility of an Islamic revolution.

There are 60 million Muslims in the Soviet Central

Asian republics and Caucasus — regions absorbed by the Russian Tsars in the 19th Century. That figure is increasing with the highest birthrate among the Soviet people.

After 70 years of religious suppression, when only a handful of "official" mosques were allowed to exist in the country, perestroika has made possible a revival in Islamic culture and religion.

Since the dawn of glasnost, thousands of mosques have been built in the area. Students are encouraged to learn Arabic and Korans are freely available.

Although Central Asian governments are dominated by Communist party hardliners loyal to the Kremlin, at the popular level there is much anti-Moscow feeling.

Moscow's violation of its treaty with Iraq during the Gulf War by passing intelligence to the US on the weapons it sold to its former ally was deeply resented by Soviet Muslims, as were recent moves to establish diplomatic relations with Israel.

The hardliners in Moscow saw in the Union Treaty fuel for nationalist tendencies. In the southern Soviet Union the opposition to Communism

takes the form of the "Party of Islamic revival."

In spite of being banned several times and harassed by Soviet authorities, it has grown in rural areas and claims 35,000 members in most Muslim regions of the Soviet Union.

Influenced by the cross-border cultural currents, the Islamic republics look for guidance not to the West, as do the Baltic republics, but to countries such as Iran and Turkey.

In recent months, Muslim nationalists have called for a new unified Central Asian State of Turkistan.

In addition, they want the Central Asian languages, currently written in the Russian Cyrillic script, to be written in Latin, as is done in Turkey.

The Communist party leadership was justifiably worried that pan-Turkism could fuel ethnic violence. In July 1990, 300 people were killed in ethnic violence between the Uzbek and Kirghiz communities, and 140 people died in inter-religious fighting in the Azerbajani capital of Baku.

For the Soviet Right, Gorbachev had to be deposed

because he was seen to be receiving orders from the West.

It is ironic that Time magazine's "Man of the

OPINION

Re-opening of Dhaka University

Pressure was building up on the Dhaka University administration to re-open the University at an early stage. The reason is obvious: session jam which has already become acute is being further aggravated with the loss of each day of the "academic year." Students at the Honours and Masters level who were scheduled to have completed their final examinations in March/April are facing an uncertain future. But the Dhaka University Teachers' Association had resolved that the University should not be re-opened until an assurance was given by the government and the political parties to the effect that there would be no more violence on the campus. The Academic Council, the highest academic body in the University, took the same position. There is considerable justification behind this view because we have reasons to believe that violence, which led to the closure of the University so many times in the past, will break out once again when the University is re-opened, supposedly on 17th instant.

In the circumstances the question that all of us must have in mind is: why are the government and the two major political parties who have armed activists in their student fronts in Dhaka University maintaining silence? Both these parties were actively involved in the movement to end autocracy and restore democracy in the country. The objective has now been achieved through the combined efforts of people belonging to all walks of life. But neither BNP nor Awami League seems to give any indication that they have overcome the

psychological barrier created by many years of experience (in the sense that use of arms and control of campus, especially DU campus, have played such a prominent role in national politics) and, that they are willing to disown the terrorists. Let us recall here that when the long-awaited discussion on the campus situation was held in the Parliament, the Leader of the Opposition and at least three-fourths of the MPs remained absent. It is very much likely that the musclemen among the activists in the student fronts will not surrender the weapons they possess. For the same arms are used for a variety of other purposes outside the campus also. However, if the political parties realize the gravity of the situation created by campus violence they must cease to regard these musclemen as "assets".

The responsibility of seizing unauthorised arms and taking to task those who possess and 'use' them squarely lies with the government. For it is its primary duty to maintain law and order in general. From the relevant clauses of the Dhaka University Order it is clear that University autonomy cannot prevent the law-enforcing agencies from taking appropriate action against the use of arms on the campus. It is also clear that the Vice-Chancellor of the University is not empowered to issue directives of these agencies for such action as and when necessary. But unfortunately, sometimes the government has tried to cover up its unwillingness or inability to tackle the situation by shifting the responsibility to the University administration.

It is true that the University administration is empowered to expel the terrorists. But let us remember that all of them are not students. What is more, as long as the terrorists remain armed and can move about freely, this does not solve the problem. Actually, as the experience of Dhaka University shows, such a step can be counter-productive. The problem has to be tackled at the political and government level.

We must admit that it will not be easy to solve a problem which has become so acute and complicated over the years. But we must start somewhere. And what we need most for such a beginning are (a) the willingness and ability of the government to discharge its primary responsibility as mentioned above, and (b) a consensus between the two major political parties to disown those who possess and use arms in the educational institutions (and other places). After all, we do not need to remind ourselves that if the present state of affairs is allowed to continue, democracy will be in danger once again and the nation will pay dearly in other respects. I would suggest that till there are clear indications to the effect that the concerned quarters are willing to fulfill their responsibility, the Dhaka University (and other educational institutions) may remain closed even though it will be so much undesirable otherwise. Dhaka University played a commendable role in the movement against autocratic regime. It should contribute in a similar manner in bringing campus terrorism to an end. A Reader

Campus violence — a clarification

Sir, This refers to the news published on the front page of The Daily Star in its edition of September 7 under the headline "Govt. parties blamed for campus violence."

Since there has been a mis-reporting of my speech, I wish to clarify and explain that I did not blame anybody, any party, any authority in my speech. Secondly, I did not mention the Budget Session of the Parliament and Parliamentary Committee at all. However, I did mention about the two committees formed by the government and I suggested that the two

problems — session jam and campus terrorism — were closely linked, and could be seen as aspects of the same problem, with a history. Solutions lay primarily with the government which under our changed Constitution, meant both the party in power and the parties in opposition. I deliberately avoided making any aggressive remarks which is what your reporter unfortunately imputed to me.

Zillur Rahman Siddiqui
Dhaka

Relocating garment factories

Sir, The human and transport pressure in Dhaka city

would be noticeably reduced if a plan is formulated on a phased relocation of the innumerable garment factories to the outskirts of the city. The authorities are presumed to have some plans for the construction of industrial estates outside the metropolitan area. One EP Zone is said to be coming up outside Dhaka.

At present most of these factories are located in rented premises which are not designed as factories. Many are located in the residential areas.

The city also needs more commercial areas to relocate the hundreds of offices.
A Mawaz
Dhaka