

Dilemma in Algeria

Now facing the dilemma as to how to handle the rise of the Islamic fundamentalist group, Algeria clearly runs the danger of going about it the wrong way. The electoral victory won by the Islamic Salvation Front (ISF) earlier this month has triggered off a series of developments which cast a shadow over the stability, not to mention the democratic future, of the North African state.

After living in exile for long 27 years, Mohamed Boudiaf has returned to Algiers to take over the administration, with the support of the armed forces, following the resignation of President Chadli Benjedid, which was obviously prompted by the military. Judging by press reports which raise more questions than answers, Mr Benjedid was prepared to go along with the second round of election which would have given the Islamic Front an absolute majority in the parliament, probably with the power to amend the constitution and call for a new presidential election.

The opposition from the army which, in this case, seems to be backed by a sizable number of democrats, to the assumption of power by the Front is understandable. The rise of Islamic fundamentalism is being seen by many educated Algerians as a threat to modernism and human rights, not only in their own country but also in the other two North African countries, Tunisia and Morocco, and perhaps eventually in Egypt. There is little doubt that the threat is a real one and must, therefore, be faced and contained.

However, it is extremely doubtful if the army-backed authorities in Algiers can deal with the situation through the methods they have adopted so far, the cancellation of the second round of election and large-scale arrests of Islamic militants. In immediate terms, the situation may be brought under control. But it is only a question of time before the country is rocked by eruptions. On the other hand, even the international opinion, especially inside predominantly Muslim countries, would be opposed to the army's methods.

Algeria should not lose time in resolving the deadlock. The country cannot remain indefinitely under the army rule. Should the country be given a new constitution, framed by a new assembly, which would disallow the exploitation of religion for political purposes and make any form of religious intolerance a punishable offence? There may also be other options. What is important is to prepare the ground for fresh polls which would hopefully lead the country towards secular democracy. All this should be done on the basis of what the new Algerian leader, Mr Boudiaf said on his return home on Friday, "Islam is sacred and no one must abuse it."

This message echoes through Saudi Arabia and several Gulf states which are committing substantial funds to prevent the Muslim republics of the former Soviet Union from going the Algerian way. Much of the committed funds will be spent in building mosques and Islamic institutes. No one can argue against these moves. However, it is essential that alongside these moves, these newly-emerging republics learn about democracy and how it is practised, about the working of a multi-party system and religious tolerance, not necessarily from the West but from some predominantly Muslim countries, like Malaysia, Egypt, Turkey and, we are pleased to say, Bangladesh.

Another answer to the problem lies within the Arab world. Unless Saudi Arabia and the Gulf states start moving towards one form of democracy to another, their ability to challenge Islamic radicalism in Algeria — or elsewhere — will always remain limited. They must, in time, demonstrate that a resurgence in the Islamic world lies in the establishment of democracy, wide-spread literacy, eradication of disparity between the rich and the poor, and, above all, in the emancipation of women. If this is not done, and done without too much loss of time, we will be seeing Muslim radicals holding their own "parliaments", like the one held in London earlier this month, threatening to defy the local laws and to isolate the Muslim community in Britain from the mainstream of life, with possible damaging results to this ethnic minority.

Gigantic Mosquito Factory

The Dhaka City Corporation (DCC) has identified 300 households as dirty enough to be breeding grounds of mosquitoes, according to a report published in this paper on Friday. The report quoted a DCC official as saying that if the city-dwellers did not keep their households clean, then all the efforts of the Corporation would be "futile". To drive the point home, the DCC has filed cases against the offending 300 households, though the former may settle for a token fine rather than the full penalty of six months' imprisonment.

The Corporation to be shifting a lion's share of the responsibility to keep the place tidy onto the shoulders of the tax-payers themselves, rather than those appointed and paid specifically to perform the task.

While there can be no argument with the assertion that citizens have a duty, moral as well as social, to do their utmost to keep the city environment healthy, the question is still a matter of degree. It is ludicrous to imply that 300 households could be the source of the massive mosquito problem affecting this 210sq. km city of nearly seven million people. One could even suggest that, given the huge nature of the city's pollution problem, one is rather surprised the DCC has managed to locate only 300 offenders, and not 3,000 or 300,000.

This is a city of innumerable slums and shanties with no sanitation or sewerage facilities, and areas of high-density living with woefully inadequate civic amenities. The very structure of this city is a health hazard, but the authorities, now as in the past, seem only interested in cosmetic improvements such as cleaning and painting VIP roads and the like. How is a lower-middle class family living in a congested environment going to feel motivated to carry out its civic duties if it continually sees that those with the resources, authority and the responsibility to perform the job are themselves least bothered?

There are thousands of open, often blocked sewers in Dhaka in addition to hundreds of filthy ponds, dead-end canals and other areas of severe water-logging, all of which make this place one gigantic mosquito factory. The responsibility to clean-up the drains and ponds, and remove water logging lies squarely with the DCC. What the DCC should understand is that if it carries out its own duties efficiently and with dedication, then the city population will respond in the most positive of ways. At present, the DCC is spending the tax-payers money and dishing out sermons and lectures in return. This must stop.

India Speeds Economic Liberalisation Programme

D K Joshi writes from New Delhi

The government of Prime Minister P V Narasimha Rao is moving rapidly to liberalise India's economy. International financial institutions want him to go further — shut money-losing state-run enterprises and privatise banks and much of the public sector. Inflation persists and Rao's liberal measures have been blamed for severe price rises in essential commodities.

SIX months after embarking on a policy of economic liberalisation, the Indian government feels satisfied it has restored international confidence in the economy.

Foreign reserves have risen to 90 billion rupees (\$3.5 billion) — up from a dangerously low 26 billion rupees in June 1991 when the Congress Party government, led by P V Narasimha Rao, took power.

The rise has been much faster than projected. The World Bank and the International Monetary Fund (IMF) had predicted it would take until March for reserves just to reach \$2.3 billion, another year still for them to reach \$3.1 billion.

Nonetheless, New Delhi does not feel confident it has come out of the economic woods. It is still in a twilight zone of hope and uncertainty, optimism and apprehension.

Inflation remains the Achilles' heel. It has declined marginally of late — from 16.7 per cent in August to 13.7 per cent in December — but a government target of nine per cent by April appears elusive. Forecasters now predict the financial year will end with 12 per cent inflation.

Nature cannot be blamed for persistent inflation. The last four years have seen generous monsoon rains. Food grain production is again expected to reach an all-time high of nearly 180 million tonnes.

Finance Minister Manmohan Singh told Parliament inflation is now the government's "primary objective of short-term economic management."

Curbing the budget deficit is the key to controlling inflation. The government had assured the IMF it would reduce the fiscal deficit from nine per cent of Gross Domestic Product (GDP) in 1990-91 to

6.5 per cent in 1991-92 and five per cent in 1992-93.

It may not be easy to reach these targets. The public revenue deficit already exceeds the 138.54 billion rupees forecast in the last budget.

Singh still hopes, however, that his government will be able to tame the fiscal deficit. To restore international confidence in the economy, it initially resorted to a severe squeeze on imports. This led to a shortfall in customs revenue and an industrial slowdown.

Having brought foreign reserves to a satisfactory level and set in motion a positive trend in the balance-of-payments account, the government now promises to accelerate structural adjustments

and begin liberalising imports — of course with caution and at a pace the economy can sustain.

Singh has already taken steps to cut government expenditure. His overall strategy includes strict controls on public spending, financial and tax reforms and a review of laws restricting foreign investment.

Already, his government has felt the political effects of inflation. It was taken to task for not checking price rises in essential commodities. Opposition parties said liberalisation was partly to blame.

The government has taken some steps to mitigate such price rises. One has been to begin selling on the open market wheat normally stored

in government warehouses, thereby checking a flourishing black market and ending artificial shortages manipulated by unscrupulous bureaucrats in league with private traders. Nonetheless, government warnings of a crackdown on these traders have been greeted with widespread scepticism.

Political opinion remains strongly opposed to privatising the public sector and nationalised banks, two key loan conditions imposed by the World Bank and IMF. Opinion leaders want the government to protect India's economic sovereignty by standing up to international financial institutions.

They are not, however, entirely opposed to allowing pri-

vate capital into core sectors like steel and power — now exclusive public sector domains — or to ending protection from foreign capital now enjoyed by the private sector.

Even Indian communists have mellowed since the demise of centralised planning in the Soviet Union and Eastern Europe. Jyoti Basu, high priest of the Marxist Communist Party and West Bengal's respected Chief Minister, says IMF loans can provide short-term benefits.

He also concedes that certain key sectors should be opened to the private sector. Nonetheless, he warns that by agreeing to IMF conditions, India could become dangerously dependent on foreign capital.

The government is still working out its policy towards ailing state-owned enterprises. The World Bank and IMF have put pressure on New Delhi to shut them down. But the political fallout of a surge in unemployment that would result cannot be wished away.

About 2.6 million workers are employed in the 244 enterprises in the central public sector, which excludes such departmentally-run undertakings as railways, the post office, nationalised banks and financial institutions.

Of these companies, 98 incurred a net loss of 19.69 billion rupees and had accumulated total losses of over 100 billion rupees in 1989-90, the last fiscal year for which figures are available.

Closing loss-making units is no simple proposition. One government study estimates that it would be much more expensive to shut some of the enterprises than to revive them. Rao told Parliament on December 20 that his government has "an open mind on the issue" of closing ailing state-run businesses. It seems the emphasis will be on their revival.

Indeed, it appears that only chronically sick units — a little over 30 in number — may be closed and their workers given a "safety net" to avoid hardships. Union leaders have demanded payments for laid-off workers and under such a scenario, they would be consulted.

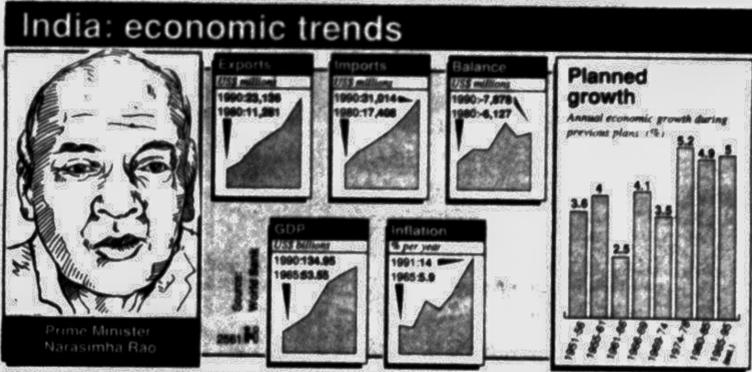
The government has not accepted the World Bank demand that state-owned companies be privatised, but has decided to sell off five per cent of the stock of 20 profit-making units, a move that will raise an estimated 25 billion rupees.

The demand for privatised banks has not found favour with the government. But nationalised banks appear to be in for revolutionary change anyway if an expert committee's recommendations are implemented, giving foreign banks greater access to the Indian market.

Singh has succinctly summed up India's present economic situation. "I don't want to create the feeling the country is out of danger. Let nobody get the feeling that the fundamentals in the Indian economy have changed remarkably. If the process is derailed, we could go down."

"We will be worse off because next time we will not have the support of the international community."

— GEMINI NEWS
D K JOSHI is a senior Indian journalist who has worked for various national newspapers.



CO-OPERATION AMONG THE SOUTH ASIAN NATIONS - II

Seeds of Distrust and Threats Must be Removed

by Prof Kabir Chowdhury and Dr Selim Jahan

Perhaps through over-enthusiasm and in the white heat of pride at our emergence as independent entities we drifted more apart from each other than we needed to which has resulted in our weakness, our poverty our backwardness as a region. If we want to stand up again raising our heads, we must come closer to each other.

BROADLY speaking, the major constraints to regional security, peace, stability, inter-country understanding and cooperation can be categorized into a) internal ethnic and related problems and b) external instigation. In many cases, extreme nationalism or discriminatory attitude by the state machinery has led to internal ethnic problems. Sometimes involvement of neighbouring countries in such matters has resulted in inter-country conflicts. The lack of mutual respect for one another's sovereignty and the tendency of relatively more powerful nations to dominate over their weaker neighbours is a major obstacle towards inter-country understanding and cooperation in the South Asian region. The imperialist super powers have played a notorious role to destroy peace, stability and security in this region. Often they have used some South Asian countries as pawns in their power play, they have made one country suspicious against the other and they have instigated animosity among nations. 'Divide and Dominate' was the rule that they followed. In order to achieve this goal, they have turned ethnic diversity into ethnic conflict, have helped military juntas to snatch state power, have supported autocratic rules in certain cases.

Colombo Plan to SAARC

The Colombo Plan was the first institutional framework in which the South Asian countries found a platform for regional cooperation, even though that cooperation was mainly limited to the economic sphere. In the 50s, when India took a leading role in landing NAM, the countries in this region by 1960 became active members of this movement. Through NAM, the South Asian countries played an important role in supporting peoples' movement for independence and self-determination all over the world; elimination of apartheid and inducing the Third World countries of follow independent political and economic

policies. In the 80s, seven countries in this region — India, Pakistan, Sri Lanka, Nepal, Bhutan and Bangladesh commendably have formed the South Asia Association for regional cooperation (SAARC).

But till now, this Association has remained more or less a formal organisation and it has failed to establish itself as an effective institution for either resolving bilateral or multilateral problems or emerging as a common force in any international crisis. Thus, if we would like to ensure security, peace, stability in this region, we must take steps to remove the relevant constraints identified earlier and we should always remember that our strength lies in unity, mutual understanding and cooperation.

To the people of South Asia, secularism was a concept not merely theoretically accepted but also practised in their daily lives. They were traditionally God-fearing, as they still are, but they were not fanatics. For centuries people belonging to different religions has lived in this region in peace; communal disturbances and quarrels based on one's religious beliefs were the gifts of the colonial rules, whose parting kick was the partition of the subcontinent on the basis of the religious beliefs of its people. Treading this path, later on, the new rules in this region frequently exploited religion in their own political interest.

The imperialist powers and their local agents have on many occasions engineered military coups, maneuvered the toppling down of duly elected democratic governments and installed in their places power hungry persons who, once in power, quickly turned into ruthless dictators, betrayed the national interests and their own people, and

filled their own coffers, encouraged fundamentalism, made life difficult for the minorities and discouraged all kinds of free and progressive thinking.

Fundamentalism

Today we notice with great concern the emergence of fundamentalism in some countries of South Asia. Many individuals, institutions and organisations, are falling victims to the terroristic activities of various fundamentalist groups. Religious fanaticism is a foul disease. It is sometimes, the result of well laid conspiracies hatched outside the boundaries of the countries where they erupt. It is a great pity that this region once a peaceful home of the followers of many religions is fast turning into a cauldron of intolerance and fanaticism and violent uprisings. A collective approach to combat this menace is an imperative of the hour. A concerted effort should be encouraged to prevent the use of religion by the state for political purposes in any part of this region. Peace, security, stability and development of the entire region must not be allowed to be jeopardised by any group of diehard fanatics, ambitious military adventurists or power hungry political cleric. Collective awareness in this regard to safeguard the interests of the region as a whole is essential.

Communication and mass media can play a great role in promoting social, political, economic and cultural cooperation among the nations of this region. It is true that we lag far behind the developed countries of the West in this field. Yet, are we making appropriate use of whatever facilities we have? If the mass communication media are properly utilised not merely for project-

ing the image of the rules but for furthering the interests of the peoples of the respective countries and of the region as a collective entity, freed from bureaucratic control, a good deal could perhaps be achieved.

Natural Disasters

A common problem for the South Asian countries is with regard to natural disasters and preservation of the environmental balance. Cyclones, tidal bores, floods and drought plague many countries of this region fairly regularly. Among environmental problems, one finds the large scale deforestation, the extinction of certain animal species, dumping of industrial waste, population explosion etc. Given the needed good will and determination some of these problems can be collectively handled to considerable mutual benefit. In the matter of disaster management, and in keeping the loss of life and property at the minimum possible level, the importance of timely exchange of data regarding weather can hardly be exaggerated. Also, in the matter of wild life preservation and halting the indiscriminate felling of trees for fuel (in Nepal and Bangladesh) common policies may be adopted and laws framed.

In the economic field the countries of South Asia while conducting business and commerce and various economic activities with the rest of the world should try to act as a collective common market. In all business and commercial discussions, agreements and decisions about terms and conditions with the rest of the world, the countries of South Asia can act as a common entity. When countries of the rest of the world export their goods to this common regional market, the

latter can frame a common tariff structure.

For implementing the suggestions it will be necessary to set up a permanent organisation on the basis of mutual agreement. Realism, dynamism and effectiveness should be its essential preconditions. SAARC as it exists and functions today is yet to act in the way.

Economic Philosophies

Two fundamental issues are pertinent to the South Asian economies — first, countries of this region have followed diverging economic philosophies and the levels of development are also different for different countries. In terms of economic philosophies, we have observed the pursuance of both capitalist and socialist paths of development, shifting from one extreme to the other, in certain cases we also observe the idea of mixed economy being stressed. The concept of welfare state was also experimented in certain economies. Consequently these diversified economic philosophies, the economic strategies adopted ranged from nationalisation, inward looking policies to expansion of the private sector, pursuance of a free market oriented economic policy. The latter strategy has often been undertaken not because of some objective conditions but mostly because of the World Bank, IMF pressure. But irrespective of differences in economic philosophies and strategies, every country in this region has always identified poverty alleviation and self-reliance as its major economic objectives. From the very beginning, however, all the South Asian countries have received considerable external assistance. But the end-story is different depending on the nature of aid utilization. In

countries like India and Sri Lanka, aid has been used positively in their development efforts, whereas as in the case of Pakistan or Bangladesh, it has resulted in chronic dependence.

Because of difference in development philosophies and particularly in levels of development among South Asian countries, one fundamental question can be raised as to what sort of economic cooperation is possible among them. The issue of possible economic cooperation has two facts — adoption of an identical economic policy package with regard to the rest of the world and second, inter-state economic cooperation among the countries in this region.

Inter-state Cooperation

It is true that as a consequence of disparities in levels of development, countries like Bangladesh, Nepal or the Maldives run a substantial trade deficit with their larger neighbours. This distortion can be removed through bi-or multilateral negotiations with the provision of more imports by larger countries in this region from their smaller neighbours. The establishment of joint economic commissions can be a positive step in this regard. The transfer of technology and technical know-how is one prime area where there is sufficient room for inter-country cooperation in this region. If each country specialises in the production of these commodities in which it has a comparative advantage and then trade freely with its neighbours, it will lead to optimization of overall regional resources, increased efficiency in production and maximization of output. The countries in this region can benefit through more flexible labour migration; transfer of efficiency culture and a more free but integrated capital market. It should, however, be pointed out that in this proposed structure there must be sufficient provisions for safeguarding the interests of smaller and weaker nations.

(concluded)

To the Editor...

Population control strategy

Sir, The World Bank and representatives from other donor agencies and countries have reportedly advised Bangladesh to revise its current population strategy shifting focus on an irreversible method of family planning. Since no one could possibly be forced to adopt such a method without giving rise to innumerable and serious social, religious and political problems, an equally effective and at the same time acceptable method would, perhaps, be to adopt a policy of persuasion-cum-indirect compulsion and on a much wider scale than at present and as advocated in my

article recently published in your esteemed journal under the caption "The Spectre of Population". My suggestions are:

- (1) Family planning being an intensely personal matter, and the great majority of our people being illiterate, The benefits of family planning be explained on a person-to-person basis assigning a male and a female field worker, so as to cover every single household in the country;
- (2) Family planning centres and clinics be opened, on an emergency basis, within a radius of every 2/3 miles throughout the country;
- (3) Irreversible methods must be substantially rewarded in cash or kind. Special em-

phasis must be laid on male sterilisation, and the rewards thereof doubled since it is much easier and also absolutely harmless compared with female sterilisation;

(4) Farmers and other self-employed people, both in villages and towns and cities, with no more than two children should get preference over those with larger families in matters of obtaining agricultural and bank loans at cheaper rates of interest as well as subsidised rations and similar other benefits;

(5) In all organised institutions and large establishments, such as in all government and semi-government offices, mills, factories, large shops and stores etc., public and pri-

vate employees with no more than two children should get preference over those with larger families in matters of increments and promotions;

(6) Employees retiring with only one or a maximum of two children should receive between, say, 10% and 15% increased pensions and similar other retirement benefits;

(7) Employees already with larger families should forfeit any further increments or promotions with the birth of an additional child;

(8) The population boom being our No. 1 problem, population control must receive the highest priority as well as the largest resource allocation. Industrial and other non-emergent development

activities can possibly wait a while until we have some breathing time.

A Quayam
Ex-President, Metropolitan Chamber of Commerce and Industry, Dhaka.

Change and expense

Sir, The past autocratic regime has created many irregularities in the state system and the new government is trying to put things into order by incorporating changes in the system. We very much appreciate the move. But one matter I would like to point out that a thing should be changed only when it becomes extremely essential and cer-

tain factors including financial expenditure involved for the change should be taken into consideration. For instance, the authorities have decided to change the name of Biman's Rajonigonda class. Even this change, apparently small, will definitely incur a good expenditure because the Biman will have to change everything including folders, cushion covers etc. on which the name 'Rajonigonda' has been inscribed. We feel, Rajonigonda is the name of a lovely Bangladeshi flower and it had no connection with the evil sides of the autocratic regime.

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