Dhaka, Thursday, May 21, 1992

Upsurge in Thailand

The brutal crackdown by the Thai army on the pro-democracy protesters in Bangkok, resulting in several deaths, has proved once again that when threatened by a mass upsurge, a military junta can go completely mad and behave very much like an occupation force. This has happened in a number of Asian countries in the past - just recently in Myanmar - but more often than not culminating in a humiliating defeat of the army. We have no doubt that the same fate awaits Prime Minister Suchinda Kraprayoon and part of what looks like a divided army. Whether the end will come through a surprise announcement of the resignation of the Prime Minister within next 24 hours or later, after perhaps a lull. remains to be seen. But the crisis must be resolved soon, before more people are killed, more properties damaged and the country's political options are compounded by new unpredictable developments.

The army has used different excuses for adopting its ruthless approach, even going to the extent of "setting up mobile death squads to hunt down and kill rioters," as an international agency report from Bangkok puts it. The restoration of law and order in the capital was certainly one, while catching some so-called motorcycle gangs which were said to be "inciting" violence among otherwise peaceful protesters was another. These facile explanations have convinced few Thai analysts and will, we are sure, carry little credibility with observers outside. The root cause of the upheaval in Bangkok lies in the refusal of the army to let democracy in Thailand function in the way it should, without its path being blocked at every turn by a coup or an army takeover by proxy. In this context, the rejection of the popular demand by Gen Suchinda to step down now. since he was not elected to the parliament, is only a symptom, a manifestation of the deeprooted conflict between the democratic forces and the army, between modernism and the power-hungry conservative status-conscious military establishment. This explains why the makeshift compromise reached a week ago, with Suchinda accepting some of the demands by prodemocracy forces, collapsed and ended in a bloodbath.

No one would be surprised if a new compromise is worked out, with the democratic system given another short lease of life. Such an adhoc accord will only mean pushing contradictions in the Thai political system to the background, putting all the inherent causes of conflict under the carpet. Many people assume that this is the way political problems are resolved — or rather shelved — in Thailand. However, what happened in the past may not any longer work, not when forces of democracy are winning new victories in different parts of the world, bringing about profound changes in the thinking of people everywhere, including Thailand.

Seen from this perspective, the only solution of the crisis lies in the army completely withdrawing from politics and handing over its power to a democratically elected civilian government. There is really no third choice.

Becoming Global Villagers

Nothing illustrates more dramatically the coming together of countries and peoples than the instant flow of news and images that has now become an everyday reality for most countries, including Bangladesh — for us though in a limited sense. Bangladesh first became a part of this globalisation process when it set up the satellite ground station at Bethbunia in the early seventies. We took another important step forward last Tuesday, when the government took the decision to allow import of satellite signal receiving dish antenna for home or institutional use. It also decided to encourage local production of the same. We welcome both the decisions and commend the authority for opting for opening ourselves to the world instead of setting up all sorts of barriers in the path of increased global communication. Now we will be genuinely becoming inhabitants of the Global Village which the world had become the day Sputnik was launched and man set foot on the moon.

Granted at present the benefit of the government's move will be confined to the rich and the powerful, however, this beginning will set in motion a process which will definitely have a far wider impact in opening our hearts and minds to what is happening in the world at large. As we all — citizens of the United States, Japan, Australia and Bangladesh — become simultaneous listeners and viewers of news and events across the world, the feeling that humanity is one, that we are all travellers on, the one and only, Spaceship Earth and that it is our collective responsibility to take care of it, is bound to become stronger.

For a country like Bangladesh this link with the world is all the more important because we need to expose ourselves to as many new ideas and innovations as we can. This new link will be confined only to the elites, at the outset, still the impact of this exposure for our elites should not be underestimated. For if, through this process, we can convince our elites that migrating to advanced countries is not the only way of joining humanity's march into the 21st century. It can also be joined by developing and modernising your own country.

However, we must remember that technology — both old and new — is never an unmixed blessing. It all depends on our ability to put it to the best use for us. This will also be true for the new technological marvel that will soon become available here — first for a few, but hopefully not too long in the future, for many more.

NON-ALIGNMENT IN A CHANGING TIME

In a Unipolar World, Developing Countries Need Unity and a Stronger United Nations

HE far-reaching changes which we have witnessed in recent past calls for a reappraisal of our thoughts and actions. It is also proved that cooperation rather than confrontation. dialogue instead of distrust are needs of today. These positive developments, however, have given rise to new ethnic conflicts of Europe. The accession of independence by Namibia, the latest developments in South Africa, Cambodia and Afghanistan are all encouraging and positive developments. Similarly, the Gulf War clearly demonstrated the international community's firm resolve to reject attempts to usurp or compromise the

But despite these positive changes, simmering discontent and violent conflicts still ravage in various parts of the world, particularly in the Middle East.

sovereignty, territorial in-

The world economic situation, on the other hand, con-

tinues to be alarming and complex. The failure to redress the widening gap between the affluent North and the impoverished South poses grave danger to international security and stability. In the midst of global recession and economic decline, the developing countries, particularly the LDCs are passing through a critical phase. It is, therefore, absolutely essential to build a new system of mutual relations based on equality and mutuality of interests through a constructive and open dialogue.

Against the backdrop of this prevailing situation in the international arena. I would like to make some comments about the role of our Non-Aligned Movement in the emerging new world order. The demise of the East-West bipolarity has given rise to doubts in some quarters about the validity of our Movement. But we believe that these encouraging developments have only changed the context and not the essence of Non-Alignment

by ASM Mustafizur Rahman

which is based on independence of judgement and objective evaluation of international developments. At this important confluence of time and history it is all the more necessary to further strengthen the vigilant role of our Movement with a view to protecting the sovereignty, political independence and economic freedom of the developing countries. To that end, the Non-Aligned Movement should play a more effective and assertive role in the UN sys-

In the economic arena. there is clearly an urgent need to accord high priority to the issues of development and equitable international economic relations. We believe that an enhanced and intensified South-South Cooperation will give a fresh impetus to international cooperation for development. It is necessary to evolve an appropriate institutional framework for closer

coordination between the Non-Aligned Movement and the Group of 77 to protect the interests of the developing coun-

The main task before our Movement is to enhance it's effectiveness through various structural changes, so that it can fully meet the challenges and opportunities offered by the recent momentous and far reaching developments. The valuable contributions made by the Ministerial Committee on Methodology deserve our special appreciation.

Now, let me make a few comments about the restructuring and revitalization of the United Nations. The world body during it's nearly five decades of existence, has proven itself as the most appropriate multilateral forum for the maintenance of international peace and security, peaceful settlement of disputes, the attainment of free-

dom and social emancipation and establishment of a just and equitable economic relations. It is equally clear that issues of global concern can only be resolved through the unique multilateral framework of the UN. Since two-thirds of the UN membership are Non-Aligned countries, it is only natural that we should make every effort to strengthen the role of the UN. The post-cold war era has opened new opportunities to the UN to resolve various global issues and it is absolutely essential to enhance its effectiveness through structural reforms and democratisation to ensure balanced representation in the UN system to reflect the expanded General Assembly membership. Similarly, it is necessary to establish a balanced relationship among the General Assembly, the Security Council and the Secretary General. The spirit of cooperation demonstrated in the

Security Council recently is

indeed very encouraging. But it

has to evolve and devise a workable system of collective security through rational restructuring of its membership. Similarly, it is necessary to restructure and revitalise various UN bodies in the economic and social fields to meet the changing realities and the pressing needs of the developing countries.

We also believe that in accordance with the Charter, the
Secretary General should be
given a wider mandate and
more authority so that he can
effectively fulfil his duties and
responsibilities. There is real
chance today to enhance effectiveness of this great world
body in the broader interest of
mankind and we can not afford
to miss this opportunity.

The writer, the Foreign Minister of Bangladesh, delivered the above speech at the Ministerial Meeting of the NAM Coordinating Bureau, held in Bali, Indonesia last

THE ECONOMIC SCENE IN BANGLADESH — III

Much Work Awaits the Administration in All Areas, from Expansion of Rural Credit to Export Drive

RIORITY attention should be given to research and development on increasing per acreage output of foodgrains and reducing the cost of production of shortage agricultural products. We do not have many research institutions to undertake such programme. But even then our BCSIR, Joydevpur Rice Research Institute, Jute Research Institute and Agricultural University in Mymensingh should be geared up to concentrate their research activities in these areas on crash programme basis. What is more important, they should update themselves on the research being carried out in this area in other countries including India and Philippines

ENLARGEMENT OF IRDP AND GRAMEEN BANK ACTIVITIES: It is also necessary to enlarge IRDP and Grameen Bank activity list and involve the bankers as well as local officials with the matching of activities and intended beneficiaries and improving the marketing arrangements through supplies of designers, standards and raw materials and the collection, transport. Storage and sale of finished products with a view to ensure that a large share of the final value goes to the beneficiaries instead of lining up the middlemen's pocket indigenous and foreign, Similarly, a meaningful programme for development of small industries on decentralised basis to serve the larger industries should be drawn up and a package of concrete measures that need be taken should be implemented

LINKING OF EDUCATION AND EMPLOYMENT: Linking of education and employment and provision of more vocational training is another area which should be attended to in order to stop wastage of massive resources on university education producing only dumb graduates without any marketing skill. Such exercise in futility should come to a

EXPORT DRIVE : Considerable work needs to be done to increase our exports. Our share in world's total exports being very small we will not face difficulties from importing countries to penetrate into their markets. Even though recently some progress has been made in export of readymade garments yet even in respect of this item much more can be done. For example, we can look for new outlets in Japan and start studying the preference of the consumers there. Even in the existing markets in EEC and USA, we can try to increase our market share once MFA is terminated. Import content of garment industries can also be brought down. The buying houses for handling export of garments are now mostly owned by people from India and Sri Lanka and Hong Kong. There is no reason why such trading houses can not be set up by our own people to keep with us the fat commission our garment manufactures are paying now. Similarly, new items like jewellery, books, sanitary waves, calendars, cutleries, fruits, flowers even vegetables can be exported in larger quantities. Our neighbouring country Thailand is earning considerable foreign exchange only by exportby A K N Ahmed

This is the last article of the three-part series, written by a former Governor of Bangladesh Bank.

ing flowers and orchids to Japan which again imports sweet gourds and sweet potatoes from Mexico. There is no reason why Bangladesh should not be able to export those vegetables to Japan with little home work on quality control and standardisation. Japan's future growth will be based more on domestic démand involving lot of housing construction. Larger number of houses/apartments in turn will give rise to more demand for floor covering materials and furniture. We have now plenty of furniture shops including one set up with Swedish technical co-operation by Forest Industries Development Corporation. With little training our carpenters should be able to make furniture on CKD basis and export abroad. There is also scope for increasing our trade in various consumer terms with the Muslim republics of erstwhile Soviet Russia. Pakistan and India have already hoisted their flags firmly in those countries. There new republics will need a lot of manpower for construction and other purposes once the political turmoil settles down. We can perhaps start exploring this prospect now .We can perhaps start exploring this prospect now. We can perhaps increase volume of our trade with neighbouring Bhutan by bartering our manufactured goods with their fruits and fruit products and timber. All these are possible only if the Export Promotion Bureau becomes more interested in promotion and lowers its sight to micro level and nudges our people in the right direction and, like Ministry of Trade and Industry in Japan, takes up one items after another instead of trying to promote export of all items at a time. It is true that in our case there are certain structural difficulties in increasing export of some items. But there are many more items in respect of which no such difficulty exists. To attain suc cess and achieve export targets Export Promotion Bureau has to transform itself into a livewire organisation. Government should scriously consider how this can be done. If we are unable to export more, we will not be able to reduce our dependence on foreign aid level which in any case is likely to go down in the coming years because of competing claims from Soviet Russia and East European countries on our donor countries/agencies.

FINANCIAL STRUCTURE REFORMS: Lastly, a few comments on financial structure reform. Such reforms, including complete overhaul of Bangladesh Bank, should enjoy high priority in the Government's agenda. The failure of BCCI last year and again failure of another two financial institutions very recently have highlighted the importance of such action. Under prodding of World Bank and US Aid certain actions have already been initiated by the Government in the recent years. For example,

control of deposit rates and interest on loans have almost been done away with in order to generate competition. Even though this has been a welcome step the intended results will not be forthcoming because of informal cartelisation of rates by banks. Similarly, arrangements are aloot to make bad loan provisions of nationalised banks by issuing long term bonds by the Government. But the problem will keep on surfacing again unless proper steps are taken to build up professional management in the banking system and banks are allowed to work autonomously without interference by the Government. Legal reforms for enforcing recovery of delinquent loans have also been enacted. But here again the purpose is thwarted because of tardy disposal of court cases and slow implementation of court decision.

There are two more important areas where actions need be taken to make financial reforms meaningful. They are regulation and audit. Some are in the habit of thinking that deregulation and privatisation are the magic solutions of all problems and these measures alone will bring about laissez fair paradise on earth. This has never been. This will never be. Such "cookie cutter's" approach fails to recognise the limitations of deregulation. Wide open competition in the market can do amazing things but it can not protect public health and safety. Similarly, deregulation also has its price as savings and loan disaster have hideously demonstrated in USA and the recent financial institutions failure are demonstrating here. Besides, strict regulation is sometimes necessary to make the market competitive by making the playing field even. In this context it is imperative to strengthen and overhaul Bangladesh Bank. It is unfortunate that our central bank is proving itself unable to play its role either as a referee, umpire, traffic police or judge. It must equip itself to come to the centre of the stage and be able to guide, direct, counsel and where necessary restrain and discipline our financial institutions by judiciously using its wide powers before it is too late. Regrettably, I have failed to detect much concern over this need either among our policy planners here or among those in donor/lending agencies who have prepared the

Another area where attention should be focussed is auditing the statements of accounts of financial institutions. It is high time that the obligations of auditors be clarified by the Government. There is increasing suspicion about the effectiveness of self regulation in this field. Who audits the auditors? And who should do so? The auditor's signature on statement of

ce of the quality of the information they conten — a kind of insurance policy against the risk that the company's true financial state is not what it appears to be. It is on the basis of auditor's certificates that depositors and investors place their fund with financial institutions. The crucial question in devising a more effective regulatory structure in this respect is how to ensure that the auditor's incentives are aligned with those whom the audit is designed to serve and not with those who pay their fees. Deepening the auditor's statutory obligations by imposing some concrete meaning on the "true and fair view" and widening the obligations by extending the class of users to whom the auditor owes a duty of care will of course increase in audit costs. The current lack of transparency in this respect however makes it impossible to judge the optimal mix in the public policy cost-benefit trade-off. Policy reforms which judge the issues of which attempt to solve the principal/agent problem by marginal tinkering with the existing system, are unlikely to deliver the benefits which our financial system needs and our apprehensive depositors expect.

While suggesting the above remedial measures I am fully aware that it is not easy to implement technocratic solutions in a democratic regime because the requirements of technocratic and democratic decision making are different. The most important requirement of an expert's decision is that it is correct. The most important requirement of a democratic decision is that it is acceptable to those affected by it. Technocratic economic plans are frequently unacceptable - because they impose hardship, disregard vested interests and are not compatible with habitual ways of doing business. Responsible technocrats of course do not claim to know people's ultimate interests better than the people themselves. They calm expertise on means rather than ends. But the distinction is not always easy to see. The technocrat's habit of relying on abstract principles to deal with concrete problems breeds impatience with local detail and indifference towards the particular interests that are crucial for elected office holders.

The clash between democratic and technocratic methods and priorities is thus not just a matter of style. It goes to the basic question of self government. Too little attention to particular interests is incompatible with democracy as too much is incompatible with technocracy. Technocrats favour centralised planning over incrementation, characteristic of democratic decision making.

Having said this, it needs to be mentioned that durable democracy cannot be built on political expediency alone. It needs something more than that. For this, politicians should be able to serve two essential function, viz, they sho uld be illuminators lighting up horizons towards which the electorate should move, and they should be lightning rods absorbing powerful currents that they may want to avoid and stay immobilised. In other words, statesmanship is the name of the game in which these roles can be played. Politicians we have many. But statesman? None so far. It is a pity indeed.

In the Builtor...

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 address.

Election expenditure and democracy

Sir, May I refer to the off and on pronouncements of the political leaders of the country on institutionalisation of democracy. In this context question arises as to how democracy can be institutionalised without imparting at least universal primary education to the people. After all it is the conscious citizenry which is the best safeguard for functioning of democracy.

Universal primary education

Universal primary education can perhaps be achieved if a Literacy and Education Centre is established in every locality of each village all over the country under the responsibility of Gram Sarkar. The Gram Sarkar will however have to be patronised by Local as well as

the Central Government.
Among many others, one

factor which has perhaps the · Greatest bearing on the institutionalisation of democracy is the election cost incurred by the candidates. It was reported in the newspapers that many candidates in last parliamentary elections incurred massive expenses sometimes running into say Taka 20 lacs though the election rules provided that the election expenditure of a candidate could not exceed Taka three lacs. This massive expenditure cannot but jeopardies democracy as elected candidates could perhaps strive for recouping this expenditure by hook or by crook. It is therefore, incumbent

It is therefore, incumbent on the past of the government to Devise Ways and means to keep election expenditure within the prescribed limit.
One way to restrict the expenditure is limiting the formal election campaign to seven days and allowing media. Facilities to the candidates free of cost. Will the authorities gave a thought to it?

Abul Quasem Baily Road, Dhaka

WASA project at Senpara Parbata

Sir, The Greater Dhaka Sewerage Project which passes through Mouza Senpara Parbata has created tremendous frustration in the locality. Instead of digging the existing canal with its Khas lands on both the sides, the whole project has been diverted to the northern side of the canal affeeting valuable lands of private owners. The southern side of the canal at this point is completely unaffected; even it appears there that some Khas lands have been exempted and kept out of the project.

nt Moreover, one hundred feet to breadth of the project is completely out of proportion. In our opinion, it could be much smaller considering the functionalities. The proposed com-

pensation is no better than giving alms to beggar, which proves the impractical theory of the planners and policy

So, we beg to draw the kind attention of the democratic government, specially the concerned Local Govt Minister to the above and propose that the project be spread over both the sides of the canal equally and be sized to the minimum according to real requirements, thus saving our dear

Bazlur Rahman Talukder and Muhammad Badiuzzaman Topkhana Road, Dhaka.

existence.

Loud-speakers

Sir, The indiscriminate use of loud-speakers on various occasions, be it a wedding ceremony or a birthday party, has become a fashion today. We however don't know who first got this idea of using loud-speakers on such occasions. But this 'nuisance' sometimes makes our lives miserable. The playing of same records of film songs, usually in low taste, at a high pitch is so nerve-raking.

The users never mind disturbing the studies of the students and the neighbour's peace at

Through your esteemed column, may I draw the attention of the law enforcing authorities to put necessary restrictions on its random use and stop its growing tyranny.

Nitin Roy Fakirerpool, Dhaka

"President's Award"

Sir, Thanks to Mr A Qaiyum of Gulshan, Dhaka for his brief but very pertinent and significant letter on the above subject (May 16). In fact, he has echoed my feeling as well. In this connection, I shall recall my letter in your column entitled 'Order of precedence' appearing sometimes in April. It has been rather sadly observed that the Head of the State is being reduced to nothing. I consider it as a usurpation of the highest dignitary of his

The publicity wizards in the government machinery are, it seems, forgetting altogether that it is not the personality

(or shall I say omnipotence?)
of an individual that always
counts. The distinction between the Head of the State
and the Head of the
Government should be understood in its true letter and

K Λ Ahmed Shantinagar, Dhaka

Law of blasphemy

Sir, Perhaps in every democratic and civilized country of the world there is a law governing the act of blasphemy or to protect religious people from the onslaught of so called ultra progressive forces against religion.

We appeal to the members of parliament to pass a law of blasphemy in order to safeguard the freedom of religious thought in our country.

Al-Haj SM Khalid Chowdhury Convener Society for Enforcement of Religious Freedom, Dhaka

