

Provocative Action

It is not clear what prompted India into launching this provocative move called "Operation Push Back". However, what is clear is that this unfortunate initiative has put Bangladesh-India relations under strain. It is not so much the premise of the move—which can be a subject of dispute between neighbours—that has disappointed Bangladesh. It is more the arbitrariness, the high-handedness, the secrecy and the suddenness of the "Operation" that has shocked us. Running contrary to the spirit of the recent Khaleda-Rao Summit, the Indian government's decision to start forcibly deporting the Bengali speaking Muslim residents of various parts of India, especially from New Delhi and vicinity, on the yet unproven ground that they are illegal immigrants from Bangladesh, is a violation of all international and humanitarian norms. This unilateral move on what is by all consideration a bilateral issue, has jeopardised the post Khaleda-Rao Summit initiatives to further improve Bangladesh-India relations. Doubts have now been raised in the minds of Bangladesh's policy makers as to how serious India is in improving the bilateral relations between our two countries.

The premise of the Indian move is the unfounded claim that there has been widespread influx of illegal migrants to India from Bangladesh. India has so far failed to provide any proof of their claim. What is disturbing is that it has not even tried. The issue was raised during the meeting between the two Prime Ministers in New Delhi in which Begum Zia categorically denied that there was any Bangladeshi illegal immigrant in India. However, Bangladesh did accept the fact that given the historical, cultural and religious ties between India and Bangladesh, at any given time there is a large two-way flow of traffic of people across the border. This is a temporary but recurring phenomenon.

It is possible that India may not have been fully satisfied by the Bangladesh's position. However, in such a case, the natural step by India should have been to provide concrete evidence to Bangladesh. India could have also called for bilateral discussions on this point and kept on regularly communicating with us on this issue.

We have no proof that India made any attempt to engage in a dialogue with Bangladesh prior to launching "Operation Push Back". Even the normal diplomatic courtesy of informing the country concerned prior to taking such a drastic move, was not observed in the case of Bangladesh.

The human dimension of the "Operation" seems to be also lost on India. Arbitrarily identifying a few dozen families, packing them into buses and trains, shuttling them thousands of miles across the country, detaining them in holding camps and then subjecting them to what amounts to a cruel "game" of pushing and counter-pushing by the border forces of our two countries, is hardly an example of living up to the highest standards of humanitarian and democratic norms that India did live upto, when it helped Bangladesh's independence struggle in 1971.

Whatever may have prompted India in launching this ill-conceived move — and we suspect trying to win over voters from BJP could be one and playing to the rising Hindu militant gallery could be another —, it should be stopped immediately. After such a move India should follow the international norms that govern the behaviour of neighbours on such bilateral issues. Flow of people across borders of culturally and historically linked countries is hardly a recent phenomenon. It happened between Indonesia and Malaysia, between Malaysia and Thailand and between Thailand and Cambodia. In South Asia, Sri Lanka, India, Pakistan and Bangladesh have their share of such people — not to mention Nepal and Bhutan. The problem in many such instances have been solved through dialogue and goodwill—and never through unilateral action. This is a lesson that India can afford to overlook only at its own cost.

Jamdani — Classy as Ever

At a recent meeting at the Secretariat the attending top bureaucrats stumbled on a piece of collective wisdom. They agreed that projects aplenty had been floated each costing crores upon crores of Taka — and nothing ever came of them. And then they went ahead to approve the setting up of a 'Jamdani industrial estate' — at a cost of, believe it, Taka 10 lakh. One can smile indulgently over the underlying assumption that it was the fatness of the purse that alone led to the undoing of the said high-sounding projects. But how one takes this industrial estate thing with a 10-lakh Taka bill? Will it not be taking that newfound wisdom too far — by gambling on, conversely, whether meagerness of funds can alone do the trick of a project striking success? You cannot get even 500 pieces of plain cotton Jamdani with that amount of money.

Some top brass sounded sense when he pointed out to the familial base of the Jamdani art — and that a family cannot be drawn into working for a factory or estate that is not their home. He also suggested funding rather than the many support items the Jamdani weaver is badly and perennially in need of — financing and marketing yarn and dyes. And even a godly supply of designs. These were always there. What we are at a loss to understand is that, if this approach prevails, coming as it does from the top man, the Secretary, how is there going to be an industrial 'estate'? And where will that niggardly 10 lakh go — to the building the state or to the salvaging of the Jamdani weavers from their many-sided agonies?

It is not long that at the Design Centre of the BSCIC the weavers and the Jamdani investors attempted to talk to each other publicly with government — in the shape of the BSCIC, lending an eager ear. What was the outcome of that no one knows. One of the things our Prime Minister made New Delhi to accept as an item that country will import from Bangladesh — during her visit to the Indian capital — is Jamdani. How is government and industry and the people at the weaving level bracing for that? Have the modalities been worked out and orders secured accordingly?

The delicate and winsome Jamdani has a tough life. It is the only variety of the legendary 'Muslim' range that is alive and perhaps kicking too. Social and cultural trendsetters have a role to play here.

The IMF-World Bank Meeting Shows New Concern for the Developing World

M Syeduzzaman, Guest Columnist, writes from Washington

THE annual meetings of the Board of Governors of the IMF and the World Bank are always preceded by a number of preparatory meetings in previous weeks, meetings of the G7, G10, G24, the Interim and Development Committee. The G24 is the economic arm of the G77 and consists of developing country representatives — eight from Asia, eight from Africa and eight from Latin America. The Interim Committee is a committee of governors of the IMF (usually finance ministers) for providing guidelines to the IMF in connection with their policy and operational activities. The Development Committee is a joint ministerial committee of the governments of the Fund and the World Bank to oversee the transfer of real resources to the developing countries and provides guidelines to the World Bank and the IMF. Every year at this time there is another important event which attracts high powered financial and monetary leaders — the Per Jacobsson Lecture, named after one of the distinguished Managing Directors of the IMF in its earlier days. This year there was another meeting organized on world economic and financial matters by the media giant CNN, titled "The World Economic Development Congress." This last meeting had keynote speakers like Margaret Thatcher, Henry Kissinger, Nicholas Brady, William Draper (Administrator of the UNDP), and large number of distinguished participants from the developed and developing countries.

It was my 17th opportunity to attend the annual meetings of the World Bank and IMF, and the third in non-official capacity. But it was unique. I had never seen the like of this before. While leaving Dhaka on the 17th of September it was not clear what the impact of the action taken by the UK Government on the previous day on exchange alignments would be. While waiting at the London airport last Friday I took advantage of going through the Financial Times which fully described and analyzed what had happened in the previous 48 hours.

The meetings in Washington were full of this development. In her keynote speech at the World Economic Development Congress, Margaret Thatcher had expressed strong critical views about the manner in which the British and German governments had

handled the European Exchange Rate Mechanism (ERM) and spared no efforts to establish how right she was in her views about Britain joining the ERM. The Per Jacobsson Lecture was a significant curtain raiser. Every year a distinguished personality of world stature is invited to deliver this lecture on some aspects of the international monetary and economic picture. This year's speaker was Otto Pohl, the former president of Bundesbank, the all-powerful German central bank. The title of his speech was "A New Monetary Order for Europe." Needless to say that the European currency

Senior officials of the World Bank have publicly regretted that the cost of recent foreign exchange upheaval will be passed on the developing countries and that efforts by industrial countries to reduce their budget deficits will have an adverse impact on their aid budgets.

turbulence became the central theme of his speech held on September 20. Pohl analyzed what had happened and what the next steps should be. He suggested that in view of the momentous turbulence in the currency market that had just taken place and the narrow margin with which the French electorate approved the Maastricht Treaty (results came in just before the meeting started at 3:00 pm Washington time), the European nations would have to be extremely cautious about the next moves. The "core" countries of the ERM should agree upon a multi-speed arrangement and on a longer time-frame for reconstituting the ERM. Even Otto Pohl who is known for his strong and direct views was agnostic in indicating the future of the ERM.

The unexpected development in Europe gave a new dimension to the contents and emphasis of the statements of governors (finance ministers) at the annual meetings. The events were so close to the heart of issues with which the Fund and the Bank are concerned, that everyone had to take notice of them, and everyone had to rewrite their speeches. All these years that I had attended these meetings, the G7 generally spoke in one voice. This year, national interests came to the fore, each G7 member trying to justify and defend its own national and domestic position forget-

ting their earlier sermons and lectures. The United Kingdom urged Germany to lower interest rates to save the ERM and to share the burden of adjustment within the European Community. The US came out strongly in favour of lower interest rates for stimulating economic growth, keeping the domestic audience in view. In retrospect, one can say that had it been known as to what would happen in the currency markets, the Bank-Fund meetings should have been set before or after, preferably after, with a reasonable gap. In view of the short gap between the events and the annual meet-

ings, it seemed that the position stated by most of the industrial countries was on short term considerations and as instant reactions. Maybe when the dusts settle down greater wisdom will prevail. It would not be wrong to say that the G7 leaders, overtaken by events, were literally thinking on their feet. In an unusual departure from the long-standing practice and tradition, the US President George Bush chose not to address the annual meetings, and instead invited the G7 ministers and governors to the White House where he stated his position on current world economic problems including a suggestion on a basket of commodities for setting standard of currencies.

Michael Camdessus, managing director of the IMF, in his opening statement strongly disapproved the action of major industrial countries for avoiding their obligations for maintaining orderly currency markets. The managing director did not miss the opportunity to remind them about their responsibility under the Articles of Agreement of the IMF to cooperate with the institution on exchange rates. He even waded a copy of the Article book referring to Article IV which describes the obligations. Camdessus did not hide his disappointment and frustration at the manner in which the Fund had been marginalized by the G7 during last

week's currency upheavals. It appeared from the recent events that the G7 countries are really outside the purview of the IMF, and that the Fund is now concerned primarily with the problems of developing countries. Camdessus flagged the importance of fiscal discipline by the major industrial countries and urged reduction of their budget deficits even though many of these countries are in the midst of recession or fragile recovery. This view, however, was rejected by many including some World Bank economists who think that cutting government expendi-

ture would aggravate the prevailing situation and prolong the recession. The managing director of the Fund asked for action by the industrial countries on three priority areas — effective coordination of industrial country policies, speedy conclusion of the Uruguay Round of world trade talks, and stronger resource support for developing countries and the countries of former Soviet block for helping them in their efforts for policy reform and economic growth. If one goes into the history of creation of the International Monetary Fund, one would see that the institution was set up to deal precisely with situations like what happened in Europe and in the world currency markets last week. The managing director of the Fund reminded the world of this. Surprisingly, no industrial country except a small one from Europe, had anything to say on the importance of giving full support to the Fund's role of surveillance over their policies, though this had been agreed and highlighted several times in the past annual G7 summit meetings. In a healthy departure this year, both the managing director of the Fund and the president of the World Bank urged upon the industrial countries to be mindful of the impact of their national and international policies on the economies of developing countries.

Another first was that a very large number of governors expressed themselves strongly in favour of an appropriate mix of public and private sector roles in economic reforms and structural changes, as opposed to the almost unanimous voice for fast dismantling of the role of the public sector expressed in recent years' meetings. For the first time in many years, the leadership of the World Bank and the IMF openly stated that the industrial countries were not fulfilling their obligations in stimulating world recovery through lack of sound and appropriate macroeconomic policies, through reluctance in speeding up the conclusion of Uruguay Round, and failure to provide adequate real resources to the developing countries. In the concluding session the president of the Bank urged the industrial countries to correct this situation for creating a favourable external environment for the developing countries to pursue their reforms and growth efforts for reduction of poverty. The managing director of the Fund called upon all member countries to return to the spirit of Bretton Woods, the spirit of international cooperation on which these two institutions were created.

The Breton Woods Institutions have now really become universal institutions. In the Bangkok meeting last year all attention was focused on the problems of the former USSR. By the time of this year's meeting, the USSR had disappeared and replaced by 15 independent countries all of whom, including Russia, have now become members of the Fund and the Bank. The World Bank, in real sense, is now a universal bank. But, for the first time in many years, the needs and problems of developing countries received only secondary attention. While last year in Bangkok the Soviet Union stole the show, this year the CIS countries were disappointed that not enough attention was paid to them. Margaret Thatcher had earlier urged the IMF and the G7 members to take a sympathetic and soft approach to the

burden of their policies on the developing countries. This is precisely what the developing countries had been pleading for years in the annual meetings. An irony of the situation was that the UK was urging Germany to share the burden of adjustment by reducing interest rates and not to pass on the whole burden on the UK. An interesting example of a "weak" country pleading with the "stronger" partner to share the burden of adjustment like the developing countries had been doing for years!

reform efforts of Russia and other former Soviet group countries in suggesting conditionalities in view of the traumatic experience through which these countries are going. This sounded like music to the ears of many developing countries who had been negotiating tough programmes with the Fund and structural adjustments programmes with the Bank. It was stunning to see how open and frank some of the CIS and former East European countries were in admitting the gravity of their internal problems, shortcoming of the reform measures, weakness of institutions, and lack of fiscal discipline. It was equally interesting to see how these countries who in earlier years considered the Fund and the Bank as instruments of policy interference by western capitalist countries urged and requested for financial and technical assistance support by these two institutions.

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The author is a former Board Member and Alternate Executive Director of the World Bank who attended the IMF-WB Annual meeting that ended last Thursday, 24 September.

Moral Re-armament: Need of the Hour

by Shahabuddin Mahtab

FOR the past several weeks, the whole nation is deeply concerned about the law and order situation in the country. The man in the street feels uncertain, whether he can go to attend his daily business and come back home. A malaise has gripped the whole nation. The present situation may perhaps be analysed on a wider canvas, so that our present position can be placed in the right perspective.

The year 1971 had been a glorious chapter in the nation's history. The best of our youth made the supreme sacrifice for a prosperous and peaceful country. But within a few months of liberation, the youths were disappointed and angered, when they found that the wealth and property of the nation were plundered, by a band of greedy and unscrupulous few. People did not acquire their wealth by way of hard work and entrepreneurship, but through tactics, deceit and even theft and plunder. The political leadership did not inspire the confidence of the people, by either their way of living or functioning. They conveniently forgot that political activism enables one to be of some service to the fellow human beings, that it was not a profession for earning money and accumulating wealth. One example of unselfishness and sacrifice would have far outweighed a hundred sermons and exhortations. What was far worse, the leadership asked the people to be honest and hard working, and then they themselves did exactly

the opposite. The kickbacks had started from the very beginning of the seventies, has since then, cascaded to its present form of a Frankenstein. The Bangladesh society has to work through the various organisations to bring in the required attitudinal changes in our thinking.

The Family

The family is a durable form of organisation, and at the same time the oldest one. The individual from his birth to adulthood lives with his parents, and they are taken as our ideals. In the turmoil of the early seventies, with the violence of the liberation war as the background, the expectations of the youth had risen and they looked forward to an egalitarian society, specially when one of the declared principles of the constitution was state socialism.

The children grew away from their parents. The family was the place, where the child and the youth learnt the fundamental values of life, discipline, duty, truth, understanding, faith et al. The experience of the last two decades has shown, that parents gave very little time to their children, with the resultant non-communication between the two parties. There has been an erosion of human, social and moral values, the checking of which were the prime responsibility of the parents. If we want to make any headway

from the present downward path, family ties have to be restored. This is the responsibility of all the families, and that of the nation. Without the hard work and sacrifices of our parents, we cannot aspire to be a disciplined nation. The age five to fifteen is a crucial stage in the life of the child, and what is learnt at this stage, sets the course for the future life. The present violence is not something which has gripped the nation suddenly, but has now blown up because of our gradual decadence. What can be expected of parents, who are never at home all the evening rather enjoying themselves and hardly giving any time to their children which should have been their first duty. Of the twentyfour hours in a day, the parents get more than sixteen hours, as compared to less than eight hours when the child is either at the school or at the coaching centre.

Restlessness

The indiscipline and the restlessness in the society has led us to poor economic activity in all the sectors. And because of our non-productivity there is less purchasing power in the hands of the people in real terms, with the consequent poverty which follows. The general deterioration of the country is a tale of more than two decades, and not that of a couple of years. The great

divide between the lucky consisting of a few thousand people, and the rest had started many years ago. The prospective and profit earning plants and factories, left by the non-Bengalees were nationalized, and all these became losing concerns, as those who were given the charge of the concerns, were only concerned of being rich within the shortest possible time. The factories of the Bangladeshi entrepreneurs were also taken over by the government, with only dire consequences.

Easy Earning

In Bangladesh there grew an "indent culture", and a "brief case business". A class of people who grew rich overnight, displayed their wealth in a crude and vulgar fashion. This had a dangerous consequence for the society. This led to the development of the thought that wealth can be "earned" without doing any hard work. This dealt a mortal blow to the nation, from which we have to extricate ourselves the hard way, if we want to survive as a dignified nation. Our failures, follies and weaknesses are known to the donors and the aid giving agencies. That is why capital and investments from there move to Viet Nam and not Bangladesh. It is only through our own efforts, that we can

bridge the credibility gap. The schools, colleges, and the universities, the maktabas and the madrasahs are important organisations from which we can draw our moral strength, provided we are able and willing to keep these places free from violence. It is the responsibility for all the sections of our society to do so.

Violence

In the whole of the eighties, and now in the beginning of nineties, we have seen continued loss of valuable lives. This has put the country backward by many years. In India and Pakistan, violence have erupted at many places from time to time, but the educational institutions have been kept singularly violence free. Can we not all work together, to bring peace? Or shall we go the way of Somalia or Afghanistan? The rich countries of the world would not bail us out for our own follies. Bureaucracy, as it is now composed of the elite of the society, have been generously treated by the nation. It is now for them to set an example of dedicated work, and a life of simplicity and austerity.

The political and social leaders can set a noble example to the nation by their simplicity of living, and a dedicated life in the service of the people. Our Prophet (SA) and all our four caliphs led a very

simple life. Our religious leaders and the Imams of the mosques are greatly revered by the community at large, they, therefore, can play a leading role in the regeneration of our moral values.

Consumerism

Now we can touch the crucial issue of unbridled consumerism, which has enveloped the whole nation. And now the latest item is the dish antenna. The masts have been raised in many of the houses in Dhaka, and soon this gadget would be found in many other places. The price for it is such that it cannot be purchased easily. The money for it has to come from "black money" in many cases. Did we at all need the VCR, and now the dish antenna? In almost every month we see the opening of a Chinese restaurant, a departmental store et al. The glaring neon signs beckon us to do our shopping. These islands of wealth in a sea of poverty cannot last very long. The super consumerism that we see now does not augur well for the country.

Our economic policies have to be geared first to meet the 'basic needs' of the people. The terminologies, that we have used in all the four of our five-year plans, such as 'employment generation', 'poverty alleviation' and 'an egalitarian society' have mostly remained inside the covers of the books. We are already late in the day, in meeting the aspirations of the people, but let us not be too late.

To the Editor...

Contributions of nationalised banks

Sir, An English daily in its editorial on 26th August has given prescriptions for privatisation of nationalised commercial banks (NCBs) in Bangladesh suggesting change of ownership from Government to private as the source of resource supplies to the banks being the only antidote to corruption and default culture.

The prescription, when evaluated in terms of the contribution of NCBs in Bangladesh will enable every sensible man of the country to opt either in favour or against privatisation of the NCBs at the moment. In Bangladesh the NCBs perform their functions backed by welfare considerations in contrast to only the profit consideration which backs the functions of private

banks. NCBs in our country has since independence been performing the following major tasks:

1. Employed the largest number of educated youths of the country; while a good number of youths qualifying in the BCS could not be employed by the Government in various departments, it is the NCB's which engaged them. NCB's thus made unparalleled contribution in removal of unemployment of a greater segment of the unemployed youths.
2. Executing Govt investment policies so as to bring forth real balanced development in all the sectors.
3. Extended credit for establishment of industries under various credit lines and making working capital available to the industries.
4. Making advances to the

Govt owned mills and factories in accordance with Govt policies despite many of their unsatisfactory performances in repayment of loans already taken.

5. Providing agricultural credit and writing off huge amount of it as per Govt directives. This is an area where the private banks have not at all invested their resources.

The NCB's contribution in all the above spheres have been doing real good to the nation. Private banks' association in some of the above spheres are small and in some spheres their investment is simply absent. Job creation by the private banks compared to the NCB's is negligible. Private banks do not invest in less rewarding but nationally important sectors where the NCB's have to invest under obligation. NCB's lending considerations

are guided primarily by Govt policies while that of private banks, purely by profit consideration.

What from the comparative analysis of the contributions of the NCB's and private banks appears is that up till now private Banks have not been proved to be performing all the functions which, as per social desirability and Govt policies and programmes, they are required to. Moreover, while a private sector investment company is responsible for non-refund of about Tk two hundred crore of public deposits and some financial houses are seriously suffering from liquidity crisis, which shatters the confidence of the people, a prescription for privatisation is untimely, one-sided, erroneous and not based on desirability in the context of our present national environment. In specific in-

stances of corruption, however, what is needed is intensive investigation into the incidents and punishment to those responsible for the corruption.

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Student politics

Sir, General students are still feeling greatly insecure to go to the educational institutions because the battles are so frequent that one may suddenly be injured or even killed.

Many people have opened to ban student politics immediately. Well, this sanction might yield some positive result but I don't think that prohibition of party politics in the educational institutions will put an end to all hostilities.

Party affiliation and affinity has already divided the students into different political groups.

Actually students doing fair politics are no way involved in terrorism. But it is really difficult to isolate the few terrorists from the mass. There is, of course, one simple way to curb campus terrorism, i.e. honesty — honesty from the side of all the political leaders. All of them have to make an honest commitment that none will use student leaders for any reason whatsoever or give shelter or support to any terrorist.

It is now upto our esteemed political leaders to decide the fate of their wards!

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