

by Susan George

What Will the Traffic Month Produce?

Formerly police used to have every year a week of festive fun — sitting on road intersections and making themselves models of modestly imploring rickshawpullers to keep to the rules. It was a short-lived unusual but pleasant spell for all road-users except for those having faulty vehicle documents or those having no papers at all. They all lay low for the week making the roads less crowded and smoky. No one except the vehicle law-breakers and the police was terribly impressed by those so-called 'traffic weeks'.

Now, this time, we are passing through a 'Traffic Month'. We do not know the reasons for the three-week extension. We do not either know what this 'month' aims at and what results to expect from this exercise. In the absence of such knowledge, can we ourselves set down what we would dearly want the 'Traffic Month' to produce?

How can we start the list leaving the question of the smoking vehicles — spewing tons of deadly poison into the air inhaled by all. Shall we see after the Traffic Month's end that not one motorised vehicle runs on the roads of the capital city that gives up black smoke? We want this to happen with all the force we can command. But are we not being egregiously fools to expect such a result from police knowing full well that most of the police vehicles are themselves some of the worst criminals in this respect. We have time and again pointed out that a vehicle belching out heavy streams of carbon monoxide and other killing agents is the most visible of all the crimes against society and as such it needed no exercise in inspection and detection.

Newspaper photographs show police personnel checking vehicle papers. In our view more important than that is to check overloading which police may have done for the last time during the imposition of the Ayubi martial law way back in the fifties. And what about checking the speed of the running vehicles? This has ceased to be a crime at least in the eyes of police. The above is some sampling of problems that directly contributes to killing of road-users of Bangladesh.

Now for a slightly less dangerous nuisance. It is an established fact that in Bangladesh no driver of motorised vehicles knows anything about how and where to stop his or her trap — or that all of them simply don't care. The far graver fact is that not one single policeman on road duty was ever seen to be disturbed by the criminal ways of drivers about stopping and parking. They are always a picture of innocence about one thing — law — be there Traffic Months galore or not.

There's Still Time to Avoid Confrontation

The initiative that should have united the political forces, has instead divided the nation — and dangerously so. The rise of terrorism alarmed us all and it was a united voice, cutting across all parties and sections of the society, that called for the sternest of actions against it. Now that a formula for action has finally come — in the form of the anti-terrorism bill — we stand uncompromisingly divided. Terrorism will have a field day as the ruling party and the opposition prepare to get at each other's throat.

There are legitimate reasons as to why we are divided. There has so far been no acceptable explanation as to why the ruling party did not take the opposition into confidence. Confidential exchanges of views at the drafting stage may have saved us from the current dangerous divide. The opposition, on its part, need not have taken the very extreme step of boycotting the parliament from the outset, leaving no doors open for a dialogue on the issue. This paper earlier questioned the need for such a draconian law when legitimate doubts remained whether the existing laws had really been applied in fighting terrorism. No attempt was made by the government to explain to the public as to how the existing laws were deficient and in what way the bill would be better suited in fighting the menace of terrorism.

Having made no attempt to engage the opposition in any dialogue on this all sweeping bill, what did the government expect the opposition to do? Just sit back and let the law be passed! Only height of naivety would have led them to think so. If it did not, then why did the government chose a course of action that it knew would lead to division and confrontation? The argument of the Home Minister that neighbouring countries have similar laws is only half true. What they have is equivalent to our Special Powers Act. Nowhere there are two such laws as we now have here. Then, what if the neighbours have such laws. Is there nothing better we can think of in emulating them?

Now that the bill is with us, where do we go from here. The path that the opposition is suggesting is, we think, of questionable wisdom. This paper would like to express its deep concern at the likely turn of events — unless last minute wisdom prevails. If the opposition continues to boycott the parliament — as it has reportedly decided to do — and take to streets and mass movement, then it will severely harm the process of parliamentary democracy. It will mean that the opposition is forcing its will on the parliament. On the other hand the government cannot also use its majority to bulldoze a reprehensible law on the nation. The answer is a dignified way out for both. It seems that both have lost sight of the fact that in upholding democracy their interests converge. That their constant fighting one another — at any cost, and upto any level — creates possibilities for anti-democratic forces to gain ground.

It is late, but not too late, for both parties to show flexibility. This law cannot be effectively implemented without the help of the opposition. On the other hand, the opposition cannot continue to indefinitely boycott the parliament, and especially use mob pressure to influence the work of the highest law making body. Government should admit that it made a mistake in going alone in formulating the bill. The opposition should also admit that boycotting the parliament was not the best way to face the issue. Do not be obstinate about your respective mistakes and push the nation towards unnecessary confrontation. If the two leaders cannot talk, at least the deputy leaders can begin the dialogue. We have reached an impasse and it is to the interest of neither to push it any further.

THE World Bank walks on two legs. Though such a Maoist metaphor would doubtless displease the neoclassical economists of 1818 H. Street NW, Washington DC, it nonetheless encapsulates the truth. The first leg is reliance on the marketplace which is believed capable of satisfying virtually all humankind's needs, both economic and social. The second leg is integration — all countries should participate in the world economy to the fullest possible extent.

Standing on these unvarying principles, the Bank has, for nearly half a century, straddled the world. They are part of the Bank's structure and the pillars of its doctrine: the technical measures the Bank implements in one country or another all derive from them in some way. Asking the Bank to 'change' them would be about as realistic as expecting a horse to canter on webbed feet.

Although the twin doctrines — market forces and maximum integration — are usually presented in the abstract, without reference to particular historical or geographical circumstances, it is clear that they are not preached in a vacuum. In the late 20th century, and whatever the talk of 'level playing fields' or 'the international community', it is also clear that some participants in the world economy are more equal than others.

The stronger members of this 'community' can observe whichever parts of the doctrine suit their purposes while ignoring the rest. The weaker ones are not afforded this luxury. Thus, for example, powerful countries can maintain tariff and non-tariff trade barriers against competition from goods manufactured in weak countries, while still dumping their own industrial or farm products on more vulnerable countries.

Various international institutional arrangements exist for the implementation of the basic doctrine. The standard wisdom proclaims that goods should flow freely across frontiers. Ensuring the proper conditions for such flows and providing them with a legal framework is the specific task of the General Agreement on Tariffs and Trade (GATT). Today, however, with in-

The World Bank's policy imposed on African countries to expand commodity exports has led to economically and socially disastrous effects, a new study concludes. The policy was supposed to lift Africa from economic crisis but has deepened it instead.

creasing frequency, countries may be hampered from full participation in the world economy for sheer lack of cash. In such cases, the International Monetary Fund exists to provide — at a financial and political price — 'balance of payments support'. Its loans come with stricter and stricter conditions attached as a country's deficit and consequent borrowing needs increase. The IMF is not supposed to be a 'development' organisation and its Articles of Agreement make clear that its vocation is to finance trade.

In the free markets, integrationist world-view, merchandise — whether in the form of goods or services — and money must, then, be free to cross borders. The same rules do not, however, apply to all factors of production and stop, for example, noticeably short of demanding the same freedom for labour.

Where does the World Bank come in? In the present International Division of Labour, wherein GATT takes care of making rules for trade and the IMF takes care of financing it, there is an unstated prior condition: countries must trade. They must, to that end, agree to devote substantial resources to the sector of what economists call 'tradeables', even though that may be to the detriment of resources for 'non-tradeables' which are more immediately useful to the population. Governments, that is, should be protected from the temptation to concentrate on satisfying the needs, of their own people — for food, shelter, transport, and so on.

The Bank's particular role is to make sure that all the countries under its tutelage take maximum advantage of market integration opportunities whether they want to or not. The mechanism for forcing potentially reluctant participants to engage in the world market is the set economic policies called Structural Adjustment; a vital component of Structural Adjustment is the insistent implementation of the

doctrine of Export-led Growth. About five dozen countries, a great many of them in Africa, are now applying structural adjustment programmes under the guidance of the IMF and the Bank. The easy-money decade of the 1970s led many countries to overborrow; in the 1980s they were caught in the squeeze when debts came due at the same time as interest rates soared.

As a result, they certainly needed to 'adjust' — their outlays chronically exceeded their incomes — but they were given little choice as to how to go about it. Because the 'seal of approval' granted by the Fund and the Bank can alone give access to credit — not just to loans from the Bank and Fund themselves but from all other sources as well — the Bank can stride into the country on its two legs and set about applying its doctrine. The 'adjuster' has little choice in the matter.

A standard requirement is that the debtor must export at all costs. The ultimate goal of structural adjustment is to restore a positive balance of payments so that the debtor government will have spare cash on hand to service its debts. For a country whose currency is unacceptable in international financial transactions — which means virtually all 'developing' countries — the only option is to earn cash through exports.

In pursuing this objective the Bank and the Fund act as bill-collecting agencies for the creditor countries. The United States, take a hard line on debt, no matter how poor and indigent the debtor, insisting on total repayment except in a handful of cases.

The social and ecological consequences have been devastating. These consequences are, furthermore, well known and have been documented in any number of books, articles, films, etc. They are perhaps best summed up in a single UNICEF (United Nations Children's Fund) figure: an extra half million children die every year as a direct result of

the debt crisis. Neither the Bank nor the Fund has tried to press home to the creditors, their major shareholders, the obvious point that substantial debt relief would be the best — indeed the only — initial step to prevent the total economic and social collapse of sub-Saharan Africa in particular. Greatly reduced debt would imply greatly reduced interest payments which, according to the Organisation for Economic Cooperation and Development (OECD), in both 1989 and 1990 average \$1 billion a month for the miserably poor countries of sub-Saharan Africa. This figure may seem barely credible but it is based on the creditors' reporting system; it tells us what they themselves declare they have received.

Greatly reduced interest payments would, in turn, mean far less pressure to stress exports. Without debt and the structural adjustment programmes it entails, without the need to invest so heavily in the export sector, Africa could put its resources into building infrastructure; into feeding, educating and caring for its own populations. Such choices would, however, serve only Africans and, even more seriously, would violate the doctrine of maximum integration into the world economy.

Sub-Saharan Africa's debt more than double between 1982 and 1990, when it reached \$164 billion. In a world where five times that sum can easily be lost on Wall Street in an without undue stress, where total Third World debt stands at \$1,450 billion (nearly nine times as much as sub-Saharan Africa's), it may seem particularly sadistic to have maintained such a burden whose repayment the creditors could easily do without.

One hears Auden's words: 'Every farthing of the cost all the dreaded cards foretell Shall be paid...'

No one can count the real cost Africans have paid so that, from 1982 through 1990, over

\$100 billion could be remitted to their governments' creditors, not least to the World Bank. Did these creditors even register this crystallized sweat and tears as anything more than a blip on their computer screens?

The Transnational Institute (TNI) study (Short Changed: Africa and World Trade) examines the consequences of the World Bank's assumption that the more a country can be integrated into the world economy, the better off it will be. TNI Fellows have, over the years and in a variety of research projects, publications, films etc, developed an ongoing general critique of structural adjustment. This is not, however, the goal of this book. More modestly, perhaps, but definitely, the TNI research team proves here that, at least where Africa is concerned, one of the Bank's 'legs' has a serious case of gangrene and should be amputated forthwith.

We set out to explore the export-led growth strategy for Africa, to assess its track record and its effects and have kept precisely to this focus. This book has a clearly defined, single target; it has no pretensions to being a general treatise on Africa nor on the current phase of Third World 'development'.

One consequence of this choice is that, although it is impossible to write about Africa without some reference to the history of colonialism which has shaped present political structures and economic patterns, we now here present — even in outline — a systematic economic history of Africa. Any assessment of Africa's predicament, however, and even more so any effort to define ways out of it, must acknowledge the weight of history.

Africa has been used as a source of cheap labour during the centuries of the slave trade and, in the past century, as a source of cheap raw materials. The World Bank's economic strategy for Africa fits this latter tradition, emphasising the export of primary commodities such as agricultural products and minerals.

The consequences of the Bank's policy prescriptions have left Africans as impoverished and disempowered as they were by the wave of colonial land-grabbing in the 1880s. Formal independence and aid however did to some degree provided a framework which gave the newly independent governments room for manoeuvre and some possibility of generating greater prosperity. Many if not most African leaders squandered this opportunity, but in any case this framework was demolished in the 1980s by the World Bank and the IMF.

The debt burden forced African governments to turn to multilateral financial agencies, who would only make new loans or delay repayment of old ones if their economic prescriptions were followed. African governments cannot be exonerated for mismanaging their debts, but they were still defenceless faced with this financial onslaught.

The export-led strategy Africans have been obliged to adopt, quite simply has not worked, does not work, cannot work. Repeated reports emanating from Washington announcing light at the end of the export tunnel are either lies or illusions and in either case tragic for the countries and the peoples of sub-Saharan Africa.

Normally there should come a time, especially among Bank strategists who pride themselves on their grasp of economic 'science', when even they recognise that their dogged persistence is destined to go unrewarded. All the signs, for anyone willing to examine them impartially, point of failure. The Bank should be willing to re-examine its premises and admit their inadequacy. Instead of trying to fit the poorest of all continents to the Procrustean bed of its

theories, it should be seeking genuine ways to help Africa out of its present predicament. This study supplies overwhelming evidence that new approaches are long overdue.

African countries, almost without exception, rely for their foreign exchange on run-of-the-mill commodities — and all too often on just one, two or three of them. These commodities are increasingly produced as well in Latin America and especially Asia. As the traders we quote in the TNI study explain, in no uncertain terms, these products are often obtainable with less fuss and bother than in Africa. Prices for these commodities are dire and show no signs of recovery. The 'market' — in the sense of the level playing field or even of the control over any aspect of the earnings from one's own production — is non-existent.

In spite of its efforts, sub-Saharan Africa's trade amounts to less than 2 per cent of total world trade. So long as it is forced to concentrate on 'tradeables' to the detriment of the 'non-tradeables' which alone can cater to people's basic needs — poverty will be compounded.

TNI is proud and pleased to contribute this work which we believe will be important to the debate on export-led growth, a debate which should — indeed must — take place. Still, we wonder why TNI should have had to do this work at all.

Could not the World Bank, which according to its Annual Report in 1991 had a net income of \$1.2 billion, have devoted some of its resources and its hand-picked staff to an examination of export-led growth in sub-Saharan Africa? Could it not have questioned at least partially the success of its prescriptions? Or, if the Bank's attention was otherwise engaged, could not the UN-appointed and well-staffed 'Fraser Commission', also charged with examining the future of African exports, have done so?

We find it hard to believe that both the Bank and the Fraser Commission were somehow unable obtain the necessary research materials. Had they obtained them, as TNI's team did, we find it hard to believe they would not have been obliged to reach exactly the same conclusions we have reached here. The problem is neither money nor staff. It would seem, rather, to be one of refusal on ideological grounds to confront reality.

The Bank has a ready answer to its critics. The doctrine, it claims, is correct, the principles are inviolable, but the application is faulty. Consequently, export-led growth must be pursued with renewed vigour. There is no alternative.

Before we begin working on alternatives in the next phase of the study, TNI challenges the World Bank's experts to read the following pages and to challenge, if it can, our conclusions, not by simply repeating its doctrines but by marshalling evidence of similar scope and quality. Although our means are puny compared to the Bank's, we have, so to speak; covered the waterfront, not to mention the commodity traders' wharves. The next battle will be to force the Bank and the other Structural Adjusters who follow its lead to take these conclusions seriously.

This will be a formidable task because we are not dealing with rational argument, dressed though it may be in technical language, but with dogma. It, however, present strategies remain unchallenged, if the Bank persists in its practice, if it remains deaf not only to its critics but to Africa's suffering, we know for sure that the continent is in for a painful, forced march into the 21st Century.

—This World Network Feature
This is the preface to a forthcoming book Short Changed: Africa and World Trade, to be published by the Transnational Institute.

Susan George is an expert on Third World development and author of several books including The Debt Boomerang and A Fate Worse Than Debt.

Central Asia — the Bridge between East and West

THERE are plans to construct gigantic pipeline networks that would bring the oil of Kazakhstan and Turkmenistan's natural gas to European markets.

There are moves to create new economic alliances and free trade areas that would integrate the new nations of Central Asia and the Black to new economic realities.

But first the energy resources and the industrial and agricultural capacities of more than a dozen new states need to be harnessed — and that requires external assistance, investment and technology transfer.

And a long-lasting solution must also be found to the ethnic and clan rivalries like the ones in Georgia, Azerbaijan and Tajikistan that threaten to plunge the region into war.

How to marry the requirements of a vast region stretching from Romania to the borders of China to the financial and technical resources available in the West, was one of the themes discussed at a major conference in Istanbul this month.

It brought together not only the nine countries which earlier this year signed the Black Sea Basin Economic Cooperation Agreement, but also the emerging nations of the Caucasus and of the former Soviet Central Asia.

Officially titled 'Opportunities for Trade and Investment in the Black Sea States, Turkey and Central Asia', it was attended by over a dozen nations, including Russia, which sent ministers or senior planners.

The attraction of the conference was the presence of

All over Central Asia and the Caucasus region there are ambitious projects designed to integrate emerging nations into the global economy. John Roberts of IPS Reports from Edinburgh.

the delegations from the 12 or 13 countries taking part," said Regina Skinner of Interforum, the London consultancy which organised the conference. "There are one-to-one meetings of 10 minutes with the country of your choice. If you want to do business with Georgia, there's a table where you can go and discuss with them your ideas, and find out what you want to know about Georgia."

Georgia, despite being on the brink of civil war, sent both its construction and industry ministers to the conference, as well as a senior foreign policy official. It is a pattern repeated by governments across the region.

Armenia and Azerbaijan, despite their ongoing war over Nagorno-Karabakh, are likely to play important roles in the construction of proposed Omani-developed plans for an oil pipeline from Kazakhstan to the outside world, particularly if Turkey is chosen as the ultimate Mediterranean or Black Sea terminal.

Countries in the region also include the energy-rich republics of Kazakhstan and Turkmenistan — and less-developed countries such as Kirghizia and Uzbekistan

a chance to show it can be a bridge across which Western finance and expertise can pass into the developing economies of Central Asia and the Black Sea region.

For most countries in the region, the need for investment is the limiting factor. The old Soviet empire routinely pumped more funds and investment into its outlying republics than it took from them to cement them into a centralised economy.

Now both the funding and the externally-organised direction of their economies has gone. They can set economic priorities, but this may or may not coincide with those of Moscow, although most countries remain partners with Russia in the Commonwealth of Independent States (CIS).

At least in the energy field, what the Russians want is essentially the same as what their fellow members of the CIS want — development of new oil and gas fields, increasing the extraction rates from existing fields, and improved management and training.

The development of new fields particularly applies to Kazakhstan, where several companies, ranging from the US Chevron to Oman's state-owned Petroleum Development Oman and to Britain's giant British Gas have concluded agreements to develop key fields.

Chevron has said that it is prepared to put up as much as US\$10 billion to develop the super-giant Tengiz field and the neighbouring Koroylev field, with the Kazakh side providing equivalent input, though not necessarily on a cash basis, as part of a 50-50 project.

Turkey has long regarded itself as a bridge between Europe and Asia. Now it seeks

investment in agro-industry. Companies from Saudi Arabia, Iran and other Gulf states, as well as from Western Europe and the United States have been keen to get involved in specific industrial development. But one complex problem is the need for triangular trade arrangements in which Western capital or expertise provides the glue that sticks deals together involving more than one regional country.

In this, Turkey is likely to play a catalytic role in fostering trade and investment in the region. It has experience in developing its own industries, particularly in the agro-industrial and pharmaceutical sphere, and will be looking for chances to expand internationally. But such expansion could well require third country finance. Turkey, linked not only culturally and geographically with many of the countries, believes it offers them — and particularly the Muslim nation taking part — a model for economic development along Western, Secular lines.

Turkey has long regarded itself as a bridge between Europe and Asia. Now it seeks

To the Editor...

No-fly zone over Iraq

Sir, The three powers USA, UK and France have declared a no-fly zone over part of southern Iraq and have started over flying this area day and night on the plea of protecting the Shi'ite Muslims residing there from Iraq bombardment. This is no doubt a nice piece of act to protect the rebellious minority of a country from the oppression of the Govt of that country. But is it ethical? Can military planes of any country overfly another country without that country's consent? What is all this fuss?

Even accepting the version that Saddam Hussein is a bad man it doesn't grant any legal right to military planes of other countries to overfly his country. In that case, why the great men posing as saviours of Shi'ite Muslims don't do the

same thing in former Yugoslavia where the Bosnian Muslims are being butchered by Serbs; in Lebanon where the Israeli planes are bombing day and night, on this or that pretext, to kill the Shi'ite Muslims, or in Myanmar where Rohingya Muslims are tortured and driven out from Arakan and forced to take shelter in Bangladesh? One (for the only) answer may be that the interest of these three countries are not in jeopardy in these countries. It is not for Shi'ite Muslims of Iraq that they are doing so. May be they are doing so to see that the Jews of Israel can live without fear, the oil supply from the Gulf is assured at a cheaper rate and may be as a policy to check Muslim uprising as a power in the world.

They have said that they are

doing it as empowered by Security Council resolution No. 688 of April 1991. A perusal of this resolution shows that it by no stretch of imagination, can be construed to mean that the three countries can conspire together to overfly Iraq in order to stop flying of military planes of Iraq over its own territory.

It is really sad that Saudi Arabia has allowed them to use her Dahrn airport to send military planes over Iraq. There is no doubt that Saddam Hussein has posed a threat to all other Arab countries but it does not mean that countries like USA, UK and France should be given such foothold to deter Muslim unity.

A N M Jahed
West Nakhpalpa, Dhaka

Bangladeshi power

Sir, Bangladesh is exactly at the wrong end of where it wants to be," disclosed recently by World Bank Resident Mission chief, highlights the country's prevailing scenario. Frightening is it: The country should have been aware of her direction in time. The state of the State must arouse educated conscience of the nation, now or never.

So much (self-demolishing) progress of a nation struggling for survival for over two centuries must have been well supported by sectoral disorientation misdirecting this LDC's economy battered by natural calamities, aids, debts, brain drains, and corruptions.

World Bank's suspension of aids to the power sector of this country was virtually a short-circuited blackout of an essential chamber of the State-en-

terprise system that resulted from unsatisfactory performance generating one of the highest system losses on earth.

Despite "high-powered" measures formulated from time to time, the required level of performance has yet to be produced by the powermen. In order to make the marks, personnel efficiency has to be developed toward upgrading the whole system according to standard specifications. The department may consider consumers' suggestions for improving their output and can conduct nationwide open-to-all competition on solution to any problem whenever necessary which will help the system gain.

Instead of opting for expensive machineries, which cannot guarantee solutions to all problems, appropriately skilled manpower with cost-

efficient service, if properly managed, can reverse the loss of Bangladeshi system.

M Rahman
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Suu Kyi
Sir, It is really shocking to learn that Burma's military junta has no plan to release Nobel laureate and the Leader of the Opposition Aung San Suu Kyi. The authorities, however, said that Suu Kyi could leave house arrest for Britain anytime she likes.

We strongly oppose the above decision and must sincerely call upon the Burmese authority to immediately release Suu Kyi for establishing a democratic government there by following democratic means.
M Zahidul Haque
Assistant Professor BAI, Dhaka