

Peace in Somalia!

When Somalia showed every sign of turning into another Vietnam for America, the news of a possible peaceful settlement of the disputes between the US and General Mohamed Farah Aidede is all the more welcome. In fact, this is the only positive development to take place ever since Aidede and the United Nations peacekeeping forces led by the US troops found themselves at loggerheads. If the reports of an offer for a negotiated settlement by the Clinton administration and the acceptance of that offer by the Somali general are correct, the bleeding in Somalia may come to an end. We so fervently hope that the reports are not otherwise.

What started as a simple humanitarian mission for the UN in Somalia, after the country had experienced one of the worst famines of the century, made all the more painful by factional feuds there, turned into a battle between the UN peacekeeping forces and the Somali ragtag warring factions, particularly Aidede's men in arms. Amidst the widespread rivalry between the US forces and the hardened guerrillas of Aidede, the main mission of food aid for the starving Somalis was forced to take a back seat. The intense animosity and rancour led to casualties on both sides. But not before the death of 17 Pakistani soldiers with the UN peacekeeping forces could anyone become fully aware of the striking power of Aidede.

The US as the leader of the UN mission in Somalia was not expected to accept this affront to its might in good grace. But even its attempt to capture Aidede, through bolstering its strength, proved futile. The wanted man, on the other hand, prepared to strike blows on the US force engaged in hounding him out and he did succeed in downing at least two helicopters and killing 13 US troops last week. The way things were going out of control prompted the US to reinforce its military power but at the same time demand for the return of the US troops from Somalia was gaining ground. Yet, for the only remaining superpower of the world, such a pull-out cannot but be considered a discredit.

Happily, the US administration has not left open the only option for military means to bring peace in Somalia. Arrogance of might most of the time becomes a cause for tragedy. In the Somali condition, Aidede who once enjoyed US backing, proves to be a difficult customer to deal with. But that cannot be the only reason for allowing the hostility to prolong for an indefinite time. The important thing is to bring order in a land where the common people are the worst sufferers and where the UN must not fail in a mission markedly different from its other such ventures like the one in Cambodia and, therefore, on a number of counts first of its kind. It is even more significant because of its timing. The mission has come in the wake of the collapse of communism.

Considering all the pros and cons, therefore, it can be concluded that the option for negotiation is still more pragmatic than a military one. If US President Bill Clinton can strike a deal that is acceptable for him and at the same time capable of ending the blood-letting and the human misery for which the original mission was conceived under the UN aegis, nobody is going to be a loser. There will, of course, be dissenting voices criticising the maverick US president for lacking in resolution and wilting under pressure. But in the final analysis, everyone will gain from the experience — and none more than the UN.

The Lurking Threat of Leprosy

There are 82,000 lepers in 16 of our northern districts. This is something we never suspected before a report was published to that effect in The Daily Star on Sunday. The history of mankind is replete with evidence of man's fear and hatred of this disease.

Can we believe that more than seven persons in a hundred are somehow affected by leprosy in those districts — as claimed in that report? After all, if this were true, we would have close to two million lepers up there. In Panchagarh and Thakurgaon areas, a sampling of 45,000 people were examined by a foreign NGO. And 370 of those tested leprosy-positive. Even at this rate we would have more than 150 thousand lepers in these districts right now. Every sensible person would shudder at the thought of even this figure shrunken ten times over.

One of the most feared diseases, small-pox, has been totally eliminated from the face of the earth. So effectively has it been done that scientists are divided on the question of whether to preserve the last blobs of the microbes causing it for scientific reasons as also, more importantly, to culture antibodies able to fight off any possible revival at any time in the future of the disease, or to kill off these blobs too. Man was very close to achieving the same feat in the matter of malaria and leprosy. While it will take some more time to do that malaria has staged a massive comeback — in Africa and some other tropical and swampy areas including our own. About leprosy we have been led to a kind of complacency over the years. Missionaries working in the leper-infested zones, and a creditable measure of their success in containing the disease, did trick us into that foolish frame of mind.

Unlike most other diseases that make life unbearable as long as the affliction is, people keep out of society's knowledge the first attacks of this disease due more to its historical association of general abhorrence than any real cause for danger to the healthy neighbours. That makes the job of hunting down the malady in its infancy, which is quite easy and surefire, very difficult. It is very necessary to mount a pervasive campaign to convince people that there is nothing shameful in being attacked by this disease and that this is neither as infectious as it has always been feared to be nor something come as a retribution of the sins of one's forebears.

It is very strange that with 16 northern districts very prone to the attack of this worst hated oldest disease of mankind and their ever being so historically, there hasn't so far been a strong enough programme to root it out effectively and, as a necessary part of it, a publicity overdrive making the people of the north more aware of the disease.

The record is a shameful one and the shame of it comes out more unmistakably when compared to the service the missionaries had offered in this area. Let the government wake up to its duties in the matter — and without unnecessary delay.

CURRENCY convertibility has, it would seem, many a facet, in which a convertible Taka will make its appearance on the stage? This is the question that has remained uppermost in many people's mind for quite some time. Well, all the doubts would have disappeared days ago had the official announcement on convertibility come on, October 1, as scheduled originally. As it is, the move has been deferred. So questions linger on.

It is more or less clear now that in the initial stage, Taka will be made convertible on current account, covering transactions for both goods and services. As for transaction in goods, let's take a look at import first. Here, limitations on an importer's freedom to acquire foreign currency in exchange for his Taka, now comes by way of import policy restrictions. You cannot just ask your bank to sell you foreign currency in return for Taka. You have to make sure that the item you wish to bring in does not figure in the import control list. The banker will not oblige you unless you comply with all the conditionalities, even when the item is not totally prohibited for import. Convertibility of Taka will not, by itself, remove limitations on access to foreign currency unless the import policy reverts. Exporters bring in foreign currency and have no problem in getting it converted into Taka. Here, the issues are of a different nature. For instance, would convertibility let an exporter hold on to the foreign currency he earns and change it into Taka as and when he needs to? Then again, he can sell goods on credit to his foreign buyer only for a period permitted by regulations, needs clearance for settling claims in foreign currency. These are only a few of the indicators currency users may sift through, to see what sort of freedom Taka convertibility in goods transactions brings in.

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TAKA CONVERTIBILITY

Many Loose Ends Remain to be Tied up

As for the services account, a citizen would be interested in knowing if convertibility implies that he can change his Taka freely and without any limit, into dollars for meeting personal needs abroad such as foreign travel, medical expenses, children's education or for that matter, getting books and journals, professional equipment and the like.

knowing if convertibility implies that he can change his Taka freely and without any limit, into dollars for meeting personal needs abroad such as foreign travel, medical expenses, children's education or for that matter, getting books and journals, professional equipment and the like. Looking at the advertisements appearing on the TV screen, courtesy CNN, reminds him of many an item he could order for, only if he could readily change his Taka for a foreign currency. Even when going on a Hajj pilgrimage, his Taka can buy only a strictly limited amount of Saudi rials, well, through official channels anyway. For the businessmen, it's a question of being able to convert Taka freely into a foreign currency for re-mitting abroad by way of commissions, fees, royalties and so on. There would be other issues too. For instance, an indentor may wish to retain the foreign exchange he earns as commission from his principal abroad, instead of surrendering it immediately on receipt. This could even encourage him to bring home all the commission he earns. Then there are the border-line cases of access to foreign currency in exchange for Taka for maintaining liaison offices abroad and for the banks to invest short term funds in financial instruments outside the country. Many more of such instances could be cited.

Running through such illustrations, the questions that come foremost to the mind are, what dimensions the upcoming Taka convertibility on current account would take and how

would be the rate of conversion determined? These questions, in their turn, inexorably lead us to the facets of convertibility — full convertibility, partial convertibility, convertible with currency on free or managed float. We know by now that full convertibility of Taka is not on the cards yet — not until July next anyway. For now, exchange control on outward movement of capital would stay in place. However, the word has gone around that Taka would now be made fully convertible on cur-

rent account. It's a bit confusing. Apparently, a fine line of differentiation is being drawn between full convertibility (both on current and capital accounts) of Taka and Taka being made fully convertible on current account only. May be, the official circulars on the forthcoming current account convertibility would enlighten us on what the jargon really means.

On the question of determination of rate of exchange of Taka for other currencies, available indications suggest that the authorities tend to view that the facility for converting Taka into, say dollars — and the rate at which the conversion would take place — as two separate aspects of convertibility. According to this precept, Taka becomes convertible the moment it is allowed to be changed

into other currencies although the rate of conversion continues to be determined by a prescribed agency — in our case, the authorised foreign exchange dealers, i.e., the banks — within a certain predetermined range. Conversion rate, it is argued, is determined in this case by the market, in the sense that the central bank does not fix it directly. This line of thinking preposes a managed float of the currency. The central bank will openly declare its buying and selling rates for dollar and the

is happening now — well, in the initial phase of convertibility anyway. In the limited sense of access to foreign currency in exchange for Taka for import payments, the new regime of convertibility will hardly bring any change. However, exporters and indentors should watch if they are given the freedom to retain their earnings in foreign currency. At the moment, exporters maintain foreign currency accounts only to the extent of their retention quota. Wage earners are already in possession of foreign currency accounts.

Given the scenario outlined here, removal of restrictions on transactions on services account will perhaps provide another test of how meaningful new measures taken by way of current account convertibility are. Extreme caution marks the policy makers' approach on the issue of floatation of the Taka. A similar degree of caution could well mean that fears of large outflow of funds would impel them to retain some form of hold on future transactions on services account also. Ironically, Taka on a free float could have acted to stem outflow of funds. It is conceivable that in the initial flurry, there would be a rush for buying dollars. With the currency on a free float, excessive demand would send the price of dollar up. Local currency cost of the transactions would rise accordingly. This would, in its turn, restrain spendings on dollar purchase until such time that the price comes down to a reasonable level. However, with Taka on a managed float, cur-

rency rates would presumably fluctuate within a narrow range, providing no occasion for such a restraint to take hold.

Caution can be justified at this stage on grounds of ensuring a smooth transition to full convertibility of the Taka. However, over-caution could also be interpreted as hesitancy and impair confidence. It is argued that the central bank's rates in a regime of managed float would reflect the proximate real value of the Taka in terms of the real effective exchange rate (REER) index. However, users of foreign exchange would continue to read an element of arbitrariness in the fixation of the float's band. Besides, REER index itself is not contemporaneous with the current rates of inflation at home and in the countries whose currencies are taken into the basket for the purpose of constructing the index. In other words, the central bank quotations on a particular day may not reflect the real effective exchange rate of Taka.

In our situation, confidence will not grow until Taka is put on a free float and the exchange rate is seen to be determined by market forces in open trading. A comfortable reserve situation cannot, by itself, sustain convertibility unless incremental inflow of funds match additional outflow. And, inflow of funds will not materialise unless confidence builds up.

Provided unofficial channels for transfer could be plugged, higher remittances from workers abroad offer prospects for augmenting inflow of funds in the short run. A conversion rate approximating the real value of Taka could induce our workers to remit more of their savings through the official channel. However, the official channel's delivery system has to grow more efficient. In this context, it is also worth noting that India has signed an agreement with UAE recently to plug money laundering and transfer of funds through unauthorised channels.

BY apparent coincidence, on the eve of Britain's annual arms trade jamboree, the BBC launched a major ten-part series on the history of warfare. While the history of war and weapons was being broadcast to the world in polite BBC tones, British arms salesmen were flogging modern instruments of death to eager generals and strategic experts.

More than 150 British defence companies exhibited their latest products at the 1993 Royal Navy and British Army Equipment Exhibition in Aldershot. Thousands of delegates, mostly from the developing world, attended the arms fair, organised by the Government's Defence Export Services Organisation.

Away from the media spotlight, lucrative orders to purchase new and sophisticated weapons were being placed. The mood was in contrast to last year's doom and gloom. "We are riding the crest of a wave," a senior defence ministry official was reported to have said.

Indeed the optimism in defence circles is warranted. According to official figures, Britain's defence exports rose by a record 50 per cent over last year, despite the global decline in the arms trade. The major buyers have been Saudi Arabia, Malaysia and Indonesia.

Overall the picture is of an industry fitter and leaner as a result of the contraction caused by the end of the Cold War and the demise of the Soviet Union — the largest supplier of conventional weapons in the 1980s.

According to the latest annual report from the Stockholm International Peace Research Institute (SIPRI), the global market in conventional arms shrunk by 35 per cent in just one year from 1989 to 1990 and by a further 25 per cent last year.

Global defence spending in 1992 fell by 15 per cent, reflecting the halving of defence expenditure in one year by the former Soviet Union. Western governments have been scaling down their defence budgets, as the disappearing threat coincided with severe recession.

The league table of top arms exporters reflects these changes. The United States is still at the top, a position it achieved in 1991 as the largest arms-exporting country, accounting for 46 per cent of the global trade.

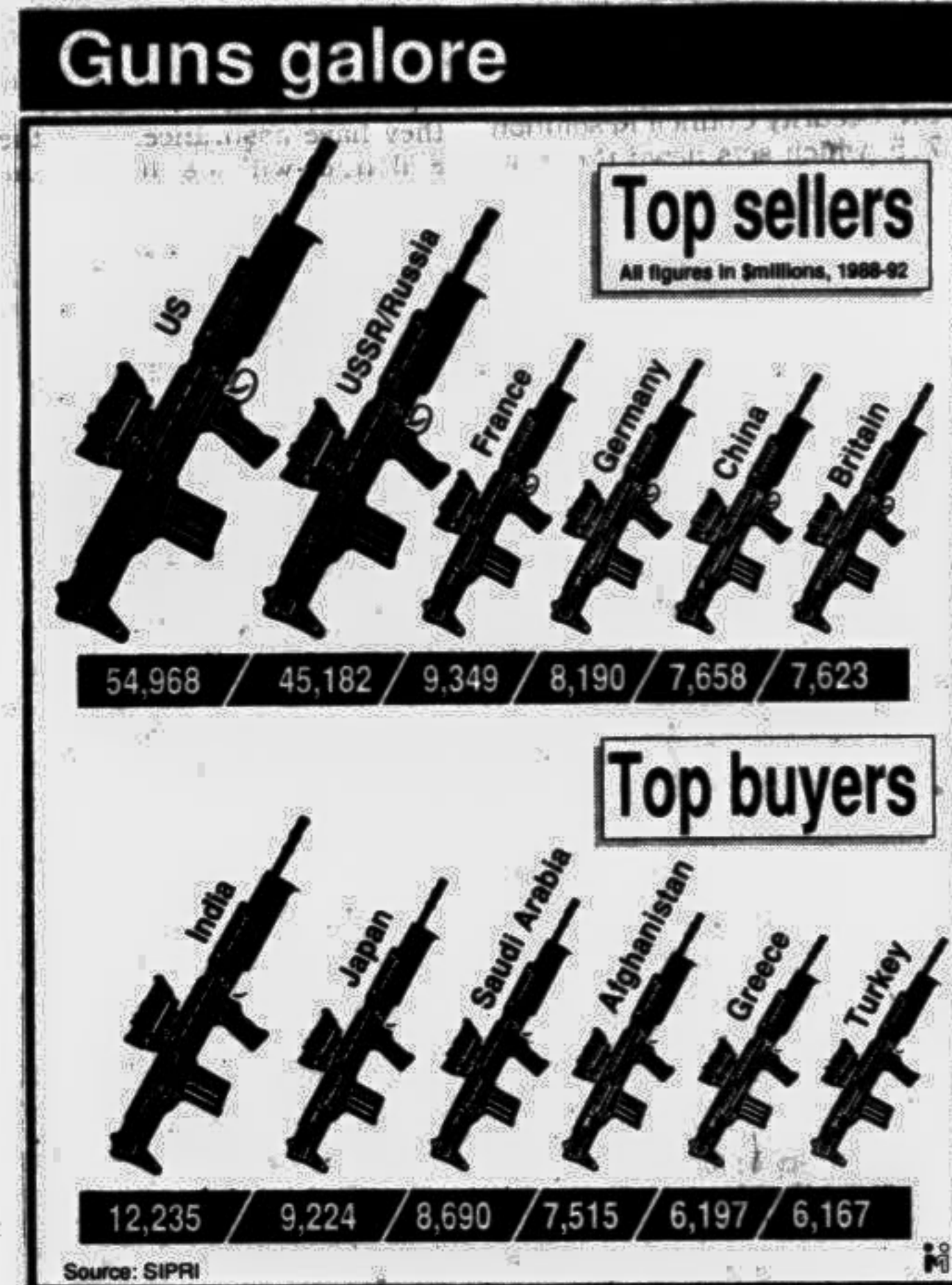
It is followed by the European Community with 26 per cent of all deliveries. Russia weighs in with 11 per cent and

DEALING IN DEATH

Asia—Lucrative Market for Arms Merchants

Daya Kishan Thussu writes from London

Selling arms is big business. Despite the end of the Cold War weapons sales are thriving again. As Northern governments cut their defence budgets, arms companies are promoting exports to developing countries. They see the Middle East and Asia as the most lucrative markets. The merchants of death are cashing in on the insecurity of the new world order.



China with eight per cent. A new major player in the arms world is Germany. With reunification, SIPRI estimates that it is now the third largest exporter of arms. In 1988 the Federal Republic was behind Britain and France. Now, arms exports from a united Germany are comparable with those of Russia and considerably larger

than either France's or Britain's. With the slump in demand at home, arms manufacturers are racing to expand markets abroad, especially targeting former customers of the Soviet Union.

Although global defence spending has come down, it rose in the Middle East and in East Asia. According to the SIPRI report, while Europe is still the biggest buyer with 36 per cent of total global purchases, Asia comes a close second at 30 per cent, and the Middle East now buys 22 per cent of all weapons.

The arms trade, faced with the challenge of the peace dividend, received a huge boost from the Gulf war, despite later calls for arms control.

In the Middle East — an area with a potent combination of wealth, unrepresentative governments and political instability — it is business as usual for the arms traders. After the US-dominated media's free publicity for Western defence technology during the Gulf war, the region's oil-rich regimes are equipping their forces with the latest and most sophisticated armaments.

Since the Gulf war, the US has signed deals worth more than \$21 billion with the Arabs and Israelis. Many other deals are in the pipeline. Just before he left office, President George Bush announced the sale of 72 F-15XP fighter aircraft to Saudi Arabia.

The Western arms industry is undergoing radical reorganisation to adjust to the new market conditions. The main theme is internationalisation, says a recent book, Arms

Industry Limited, with "cross-border restructuring" of ownership. Companies have resorted to various international cooperation schemes — merger, subcontracting, and licensing.

Larger contractors are teaming together to share the orders. Some contractors are buying up competitors, further reducing competition. Among the top 20 leading arms companies, seven were involved in major acquisition deals in 1992, SIPRI says.

For example, the American company Martin Marietta purchased the aerospace unit from General Electric; Lockheed acquired the military aircraft division of General Dynamics. Talks have been going on to merge Britain's two top arms companies, GEC and British Aerospace, which would create the world's biggest defence group.

While the arms companies work to secure their own future, many of their employees are less fortunate. The SIPRI book estimates that by 1995 the defence industry may lose 1.4 million jobs. Nowhere has any concrete action been taken by governments to use the peace dividend for the benefit of the rest of society.

It says: "The long term positive economic effects of disarmament will not emerge automatically. Resistance of industry and other economic interest groups might slow down or even halt the process that began with the end of the Cold War."

Workers in the West are not the only people to suffer the effects of changes in the arms trade. With the Soviet Union gone, it is open season on the Third World. The West is courting new clients, taking ad-

vantage of conflicts arising from the breakdown of the old order.

Some of the poorest countries in the world buy the most weapons. In the last four years India, where millions of people do not yet have access to drinkable water or basic health care, spent more than \$12 billion on arms imports. This is on top of heavy expenditure on the country's sizeable domestic defence industry.

Another example is Afghanistan. Despite Soviet withdrawal, arms are still being pumped in to keep the civil war going, a war that has claimed millions of lives and given this once peaceful country the world's highest rate of amputees. Between 1988 and 1992, Afghanistan was the world's fourth biggest arms importer, says SIPRI.

Other big Asian buyers are Pakistan, Indonesia, Thailand and South Korea.

Arms trade cuts across ideological barriers. Communist China, for example, supplies some of the most reactionary regimes in the world, including Saudi Arabia and Iran. China's reported delivery of M-11 ballistic missiles to Pakistan prompted the US to announce trade sanctions against China and Pakistan. Washington has urged Beijing to sign the Missile Technology Control Regime, an international forum started in 1987 to check the spread of ballistic technology.

Critics say that the US is using the proliferation issue to wipe out the competition. Given that nine out of the world's top ten arms companies are American, it may look as if Washington is trying to establish an arms cartel as part of the new world order, dictating who will buy what and from whom.

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To the Editor...

River embankments and road construction

Sir, June, July, August (Joishta-Ashar-Sraban) are the months of rain and flood in our country. Every year hundreds of our towns and villages, roads and highways are inundated and the suffering of our people knows no bounds.

During the three months we always make hue and cry, talk about different plans and programmes, hold seminars and conferences on flood control but with the passing away of the month of August we usually forget everything and start dozing.

Of course we do spend crores of Taka from our public exchequer every year and build earthen embankments on the river sides and also throw tons of stones into the rivers, but without any result.

We, however, do not rest in peace, we continue to throw

more material and money into the water every year.

We wonder how long will this sort of non-stop development work continue? Before the financial 1992-93 year ending we timely completed the carpeting work of some roads in Dhaka city in June 1993. But within a short period we have already stripped of the skin of the city roads and most of the roads are now lying damaged.

No problem. The new financial year has started from July 1993 and the recarpeting works of the roads would once again be completed in time by June 1994.

We want a full stop to these sorts of development works and the wastage of public money. We demand of our democratic government either to withdraw from such vainglorious development works or guarantee full accountability and transparency in that for making the works pay off.

O H Kabir Dhaka-1203

Sonali Bank in UK

Sir, More than three lac people of Sylhet are now living in UK. The only Bangladeshi bank serving there is Sonali Bank. The bank has a number of branches throughout the United Kingdom. It is, however, sad to note that among officers and staff working there — there is hardly anyone from the greater Sylhet district.

While making overseas postings this district aspect also deserves to be considered. While most of our people in UK are illiterate or half-literate, and most people know only Sylheti regional language and broken English, it would be convenient for them to get services from their fellow district people at the Sonali Bank, London or Bradford.

This is not a matter of regionalism but a matter of practical convenience which an institution like bank may kindly consider for the sake of better service.

A B Chowdhury Mohammadpur, Dhaka

SAF Games and football

Sir, The next SAF Games will be held in Dhaka in December. All countries of this region will participate in the games in different events. Bangladesh being the host, Bangladeshis this time are naturally expecting good results from their participants.

The football supporters are once again hopeful of winning the gold medal. In the previous SAF Games the Bangladesh football team being even stronger than their opponents failed to win the gold. The football team ashamed and humiliated us all by losing to Pakistan on two occasions. Yet, the supporters still hope that this time they will not let us down.

In all the previous games the Bangladesh football team was sent to participate without any prior training and practice. As a result, the team's overall performance happened to be poor.

The SAF Games is only a couple of months away and we don't know whether a rigorous

practice has started. Will we get a repetition of the last SAF Games? No, we have waited enough. To get a good result a team must have to train regularly. BFF officials must look into this.

The Bangladesh national football team has a poor international reputation. This is, allegedly, due to the negligence of the officials. Setting a training camp few months before the Games (any games) the standard of the team can be improved. Anyone going to witness of match between a Bangladeshi football team and any other team will easily notice that their is little understanding among the Bangladeshi players. This is because the team is not trained properly before participating.

There is still time. Let us hope that the concerned authorities will take positive measures to improve the standard of the national football team, so the wish of thousands will materialise.

Touheed Peroze New D O H S Dhaka

BUET session

Sir, BUET is a prestigious educational institution in Bangladesh. But it is sad that the unfortunate session-jam bars students from progress.

We are not sure what the causes are. Maybe there is shortage of teachers, class rooms, equipment etc! The university authorities have not publicly clarified their position on the matter.

The students who got admitted in October last year did not know when they would sit in their classes, while a new batch was added months back.

I am sure, the authority concerned is trying to put things in order. But it would be much appreciated if the University notifies in public through the national dailies the exact expected dates of starting the session.

A guardian Mohammadpur, Dhaka