

Good Luck to the New Mayors

The elected Mayors of the four metropolitan cities of the country are to be sworn in this morning, possibly by the Prime Minister. This is going to be a significant step in our faltering march towards a democratic polity. Devolution of state power and gradual coming into their own by local governments are an agenda essential for making the national elections and the resulting national governments meaningfully democratic. By this shining performance of empowering the great cities to elect their own governments, which should hopefully lead to a large measure of self-governance for about 15 per cent of the population, the present government has done something structurally for effective devolution that is expected to endure. We congratulate the government for first making mayoralty a directly elective office and secondly for the clean conduct of the elections.

It must be ages that these cities, especially Dhaka, hadn't had an elected chief of the municipality. And a mayor by direct popular vote? — that's nearly dream come true for a nation not yet fully recovered from autocratic hangovers. So far the government has done wonderfully on this count. Now it devolves on the incumbent mayors to carry the good work forward in a manner things cannot ever again make anti-democratic retrogressive recourses to take hold of society. The four Mayors as such shoulder onerous responsibilities making them accountable not only to their constituents but also to the nation as a whole. Their performance holds promises of becoming a very important link in the shaping of democracy in this land.

This applies more, and specially to Dhaka's Mohammad Hanif, the spectacular victor of the January hustings. The way through his election Awami League completely turned about a wholesale rejection of it in Dhaka was remarkable. It is at the same time incontrovertible that much of the 88-thousand odd votes that made up his difference with Mirza Abbas was bought by the man's high credentials of integrity and dependability with his electorate. It is only through outdoing himself in respect of trust and service, efficiency and imagination, all-in application and total commitment that he can help his party's prospects and contribute a significant chapter to the rise of local government — a term so far meaning nothing more than moving garbage. It is now for Mohammad Hanif to effect a radical change of that and prepare the city to take on the Third Millennium fittingly.

There will be a plethora of daunting problems before Hanif — some of them insuperable. What with new births and what with an ever-growing influx from the villages, the population of the city has already hit dimensions capable of defeating all attempts to make it a well-groomed and satisfying locale for our nation's dreams and aspirations to materialise. Hanif's tenure will be crucial in that it will act almost as a water-shed dividing an uphill climb to meaningful society from a slide into mountainous debris of unsuccesfuls in addressing social and management imperatives of our nation. The worst problem that he will face, more than the challenge of corruption and bureaucratic inertia, is that of a dyarchy ruling over the life and realities of Dhaka with many areas unclearly belonging to either or, worse, neither. This is where the test of the present government would come. The government and Hanif can, on the other hand, take advantage of their contrary situations to set a milestone of democratic tolerance and co-operations.

We expect Mohammad Hanif, as also the three other mayors, not to be forgetful of their pledges. Dhaka remembers Habibullah Bahar, a minister full forty-five years back, for his success in eliminating mosquito. We shall remember Hanif for the whole of a century if he will only emulate Bahar and free us of the devil as his first act of gratitude.

An assault on National Ethos

Masterda Surja Sen, a valiant hero in the fight against the British, has been subjected to further indignity by small men. The memorial under construction and to be consecrated to this great freedom fighter's memory has been razed to the ground. It is reported that a group of 20-25 armed men under the leadership of Nawab Mia and his wife, who are next neighbours to the uninhabited household of Masterda, attacked the mason and his helpers when the dome of the monument was being erected. Six to seven people were left injured and the attackers looted all the construction materials.

This is not the first time that greedy people with no sense of history have shamed the entire nation by their act of impudence, outrage and sacrilege. Several dailies earlier carried reports of such culprits extending their black hands to grab the unattained property of this great man. Nothing tangible came in the way of administrative measure to guard against any encroachment upon the land where Masterda was born. This time the attack has come on the eve of the great man's centenary celebration in which connection the memorial was being built.

This in no way is an isolated incident. The leader of the attackers chose the moment to test the reach of their power as against the mettle of those taking upon them the onerous task of paying homage to this hero. So much is at stake. Because the man named Nawab Mia has not only targeted a monument but the spirit that has time and again guided us through many a rough sea. Here is a confrontation between his narrow interests of taking possession of the property in question and the entire nation's rededication to a cause that is nothing less than a search for its very soul.

That a Nawab Mia can so hold the nation in contempt, is most unfortunate and alarming. The nation has left enough leeway for the anti-people and unpatriotic forces to desecrate everything we hold dear to our hearts. We surely have no time to waste to strike at the subversive and anti-liberation forces. History has been distorted for much too long and this is where we ought to put the record straight if we intend to put an end to the shameful acts committed either by vested interest groups or zealots. The government has demonstrated undue tolerance for such sacrilegious acts. There should be a clear policy on such incidents so that the local adminis-

tration can take care of the notorious elements in time and it does not become a long process of endless formalities.

IT all began in 1964 when the United States imposed trade sanctions on then North Vietnam on the ground that it was instigating and abetting the Viet Cong guerrilla of South Vietnam. Though Vietnam was not a colony of the US, yet it dragged itself into the civil war of two Vietnams when it decided to intervene on the war in favour of the South. It put in its best effort to quell the North but it got a bloody nose in the process. Actually the result of the intervention proved to be a nightmare to the Americans who lost more than fifty thousand of fine young men under machine. Ultimately, the US force was forced to vacate the country in 1975 when Saigon fell to North Vietnam. Since then the trade embargo was widened to cover entire Vietnam. So the decision of the US President on 3rd February, 1994 to lift the embargo on Vietnam was a historic one as it reopened the gate for American and Vietnamese businessmen to engage in bilateral trade transactions. Understandably, the calculations and considerations on the part of US to lift the sanctions are many. Vietnam, on its side, is also the benefit from the step. Because, it not only ends the boycott but also re-emphasises the faith in and the strategic importance of the area to the outside investors, particularly the US and European ones.

Vietnam's Geo-strategic Position

Vietnam has a unique geo-strategic position in south-east Asia. It is physically proximate to most of the present vibrant economies of the world. To north and north-east of it are China, Hong Kong, Taiwan, Japan and South Korea. Indonesia and Malaysia are to the south of it. Thailand and Singapore are not away from its southern border. So Vietnam is encircled by the economies which have the fastest growth rate in the world. They share a big portion of the world trade now and it

US Trade Embargo on Vietnam Goes: Bangladesh may Stand Loser

by Munim Kumar Barai

is increasing year after year. For few years, China has had a GDP growth rate of over 10 per cent and last year it was an amazing 13 per cent. The five Asian Tigers, viz. Hong Kong, South Korea, Taiwan, Singapore and Thailand have recorded a growth performance over 8 per cent for over a decade. Malaysia is striding fast to join the band of other five. But Vietnam, even though located at the centre of these economies, has so far remained the least explored one in this area. The reasons behind this are mostly and obviously political. Like other regions of the world, cold war invaded south-east Asia in 1960s and 70s. The defeat and withdrawal of the US army from Vietnam in 1975 widened the difference and a polarisation on the basis of ideological belief was pronounced. The invasion of Vietnam's army in Cambodia tarnished the image of Vietnamese people which they did earn through an uneven and prolonged war against the US army. Due to this, the neighbours were afraid of Vietnam and they more or less avoided economic and political cooperation with the Communist regime of Vietnam.

But things started changing in late 1980s and the withdrawal of its force from Cambodia marked a new beginning of political relationship in south-east Asia. The dismemberment of former Soviet Union in 1991 was a body blow to Vietnam as it was a major recipient of Soviet economic and political patronage. Stoppage of this route of favour compelled the Communist Vietnam to look outside and thus a slow but sure process of economic liberalisation was initiated. The initiative paid dividend within a short time. Europe as well as rich Asian nation jumped in to

the bandwagon to invest in Vietnam. As the quantum of investment rose, so did the rate of economic growth. Now many analysts have started treating Vietnam as the 'hottest emerging market in the world.' With a cheap and disciplined workforce, a consumer strength of over 70 million and above all with an important strategic location, Vietnam has every potential to emerge as a powerful player in the brightest economic spot of the world in the near future.

Vietnam's

Importance to US

The present US move to lift the embargo on Vietnam is definitely a positive step to bury the bitter memories of past that were haunting the Americans for nearly two decades. But it would be least appropriate to explain the incident from the angle that the incumbent President of US Bill Clinton did oppose the US intervention in Vietnam and that his present gesture is the outcome of that sentiment. A Clinton as President is much more a different person than a student Clinton of about twenty five years back. It is rather US strategic interest than personal emotional attachment that has led the President to make the current move. Like others, the Americans are also convinced of the fact that 21st century could be the century of Asia and Pacific. In that future context, the countries of east and south-east Asia will play a dominant role in world affairs. China with all its resources and huge manpower can achieve the status of an economic and military superpower within two to three decade. Then many countries will look forward to China for its help and leadership. Japan

will also remain a serious contender for such a role in such a scenario. US might and influence will decline to a greater extent. That is why, in its foreign policy US is gradually shifting its area of emphasis from Europe to Asia.

Actually, in the past, the US strategic planners failed to perceive the growth potentials of south-east Asian economies and they remained casual in their approach to encourage the US investors to invest in these economies and reap benefits. Thus an interesting fact has emerged that though most of the Asia-Pacific economies are poised to export more to the US market, their export-oriented industries are vastly dominated by FDI from Japan and the European countries. Even in China, tiny Taiwan has outpaced US by the volume of investment. So US can not be left behind in Vietnam also. Recently Vietnam has been flooded with investment proposals and already a \$7.8 billion non-US investment has been pledged for its 850 projects. Had the US not lifted sanctions on trade and investment on Vietnam, it could have been too late for the US investors to start their business operation there.

Experts in international eco-political affairs see a long-term objective behind the US move. If the present trend continues, China will emerge as a rival to US in the future not very far from now. Vietnam right now can offer the US investors to utilise its cheap labour force and compete in the Asian markets which are physically nearer to Vietnam. But in the future, a dependable Vietnam can come to US' help to oversee the developments in China and in other states of

this region. Moreover, the disintegration and departure of USSR as a counter power in the international arena has also created a vacuum in Vietnam. US can capitalise the leverage of this situation only if it has relationship which Vietnam.

Concerns for Bangladesh

The 'US-Vietnam reunion for doing business with each other has rung an alarm bell in India as the ties could adversely affect India's chances of wooing badly needed foreign investment. US investment in India has been on an upward curve since the economic liberalisation process was initiated in 1991. Bangladesh is also following a path of economic openness for macro level development and efficiency. Serious effort to attract FDI and to improve export has yielded a dismal result so far.

The United States alone constitutes a major part of our export trade and we are also expecting to benefit from FDI of US origin. And here lies the core of the present assessment that due to improvement of economic relationship between US and Vietnam, Bangladesh could be negatively affected on two grounds. There is a possibility of curtailment of our exports to US market and secondly, FDI flow of US origin to Bangladesh could decline from now.

We have already pointed out that Vietnam has a cheap but disciplined workforce. Once economic activities gather momentum, Vietnam will be able to offer an array of cheap products in the international market. It has already established a competitive edge in producing garments, textiles, shoes and toys among other things and eventually it will be looking to the US market with these products. Ironically, Bangladesh's exports to US

and European markets comprise similar products. Thus a rival Vietnam can hurt our business in the US market.

As far as FDI is concerned, Vietnam runs far ahead of Bangladesh in the race for drawing the attention of the foreign investors. Vietnam's strategic location has added its advantages to attract outside investors. Rich Asian as well as European nations are already there in Vietnam with their hundreds of millions of dollars to invest. Re-establishment of trade relation with US will further enhance its international rating for investment worthiness. Vietnam on its part is also looking for FDI of \$12 to 15 billion by the year 2000 AD to sustain its industrialisation and developmental processes. So there is every likelihood that like their counterparts of Asia and Europe, the US firms will now rush to Vietnam with their investment and technology. The logical conclusion of this rush is that Bangladesh may find itself relegated in the priority list for many western and eastern investors who earlier intended to come here.

Conclusions

Within days after the US announcement of lifting the trade embargo, lot of US companies have taken the initiative to start business operations in Vietnam. They see Vietnam as a boom market and hence a rush of American companies is likely to follow. They will go there not only with their products but also with their plants. Being located at the centre of the most dynamic economies, Vietnam is poised to get a big boost in its drive for economic vibrancy by the US action. Actually US could ill afford the luxury of being left out in Vietnam as it has remained in other economies in this area. Though no country should look grudgingly at the new development, yet the move can pin down many investment-starved economies in Asia and East Europe.

cludes Colombia and Venezuela in January.

These countries will become little Mexicos," Ortiz said, pointing to their growing access via Mexico to the United States, ASEAN's most important single market. US Commerce Secretary Ronald Brown has also predicted a Western hemisphere free trade zone could become a reality before the turn of the century.

Rafidah stressed that tariff cuts are just the start of the process and that private business will have to follow through and take advantage of the opportunities that free trade will present.

One key problem is the lack of information about possible business opportunities that years of rapid economic growth have opened to ASEAN investors.

Mused Rafidah: "Isn't it funny that the Japanese travel thousands of miles to invest in ventures that will make money, while we in ASEAN ignore possibilities right at our doorstep?"

Boom Region Tries to Avoid Bust

ASEAN economies may be booming, but economists say they now have to play catch-up with the rest of the world. **Ramon Iberto** of Inter Press Service reports from Manila

Rafidah said she was consulting her five ASEAN counterparts on this proposal and that the response from Singapore, the Philippines and Brunei has been positive. She had yet to meet with Indonesian and Thai officials.

Under the ASEAN Free Trade Area pact (AFTA), ASEAN countries are supposed to cut tariff rates on manufactured goods and processed agricultural goods to no more than five percent over the next fifteen years.

This has prompted some ASEAN members to think of speeding up their efforts to have a free trade area in the region — although such a move is bound to face fierce opposition from business interests that already fear being swamped by foreign competition let in by the current programme of gradual tariff cuts.

"If we can make the tariff cuts faster, why not," said Dato Seri Rafidah Aziz, Malaysia's minister of international trade and industry (MITI), who recently led a Malaysian business delegation on a visit to Manila.

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