

Police Growing Edgy

Unlike the hartals during Ershad's autocratic regime, those against the BNP government were until recently marked by hardly any violence and police excesses.

We do not say that the pickets are blameless either. Sometimes they resort to needless provocative acts. But that should be no reason for a disciplined force like the police to go berserk.

Police brutality as demonstrated from time to time has had much to do with the system itself. The failure to turn it into a pro-people service must be borne by all, but not as much as by the political underdevelopment.

Ominous

There is bad news from Dinajpur. Three leaders of the all-party student and youth unity front were arrested on Monday.

This disquieting development is solely the handiwork of the administration. What does it want by destabilising the Dinajpur situation and opening the wound that has yet to heal fully?

The whole nation saluted Dinajpur people for their resolute protest against the raping and killing of Yasmin. Such protests generally entail excesses understandable because there are actions in frenzy and by a motley crowd.

The Dinajpur administration must withdraw from what foolish things they have already done and desist from any further action in the matter. For them to harbour any idea of reprisal — vengeance to be plain — will be criminal.

Exceptional Initiative

The foundation of a Rabindra complex was laid on Tuesday by Mr Reazul Huq, Deputy Commissioner, Khulna. In the meeting held on the occasion eminent writers and teachers wished the project Godspeed.

We join them in complimenting the Khulna district administration on their taking up this project. The complex is planned to be housed in the site of the Phultala Dakshindih house of the Roy Chowdhury's.

The building together with the property has been lying there in continuing abuse for about half a century. No one cared. The present initiative comes as a very pleasant and necessary exception.

There is a Tagore Lodge in Kushtia town. When will that district have a deputy commissioner cultivated enough to take over that and develop a Tagore memorial?

Not Untouchables, but 'Huggables'

by Professor Muhammad Yunus

created a worldwide caste system without anybody being horrified by it. If you don't have collateral you are not creditworthy i.e. you are un-touchable.

Grameen Bank challenged this caste system — because we felt that access to money is essential to move out of poverty, to unfold one's own potential, to become an active economic agent, to establish one's own human dignity.

creditworthy? Are the poor "untouchables"? With Grameen's experience, the answers are very clear. Not only are the poor not "untouchables" — they are "huggables".

Will our thinking about the poor and the poverty change because 2 million poor people painstakingly have demonstrated every day of the year for the last several years that they can borrow money and change their lives?

distant past, as we do now about the plagues which raged during the middle ages. After that point of time only place where poverty can be found will be the museums.

Impact of Grameen's credit programme has been intensively researched by many organisations. All come up with highly positive findings. Grameen borrowers

Check, a traditional hand-woven cotton fabric made by poor weavers of Bangladesh, set up a telephone company to bring cellular telephones to the poor rural women of Grameen to create a new income-generating activity for them, as well as an instrument of empowerment.

As Grameen's experience became known to others researchers, NGOs, social activists started visiting Grameen to see how far this is replicable in their own countries. First serious repli-

Grameen programmes are operating in the USA, Canada, France and Norway. This only demonstrates the big gap left by the financial institutions in all of our countries.

New UNESCO is collaborating with Grameen Bank to facilitate the replication of Grameen in its member countries. This will make it easy for member countries which are interested in starting Grameen programmes.

The World Bank has recently taken an important step to support microcredit programmes around the world. It has taken the initiative to invite bilateral and multilateral donors to join together to create what is named as — Consultative Group to Assist the Poorest, or CGAP. CGAP was born in June this year. This will provide funds and information to start new microcredit programmes and strengthen existing micro-credit programme. CGAP will hopefully make microcredit acceptable to the mainstream financial institutions, and help remove the caste system which exists in the financial world today.

Grameen, along with its partner organisations around the world, is preparing to hold a People's Summit on Microcredit in November of next year. The objective of the summit would be to help prepare an action-plan to reach 100 million poorest families of the world with microcredit, preferably through the women in those families, by the year 2005. Multilateral financial institutions, banks, investment firms, governments, UN organisations, NGOs, service clubs, social activists, media people, legislators, academics are invited to join the summit to find ways and means to reach the 100 million poorest families with microcredit by 2005.

Poverty is denial of all human rights. There is no way we can allow poverty to exist.

Let us believe that we can create a poverty-free world once for all. Let us participate with all our talents and creativity to make it happen soon.

(Extracted from the author's speech at Unesco General Conference currently being held in Paris, France)

Are the poor creditworthy? Are the poor "untouchables"? With Grameen's experience, the answers are very clear. Not only are the poor not "untouchables" — they are "huggables". They are not only creditworthy, in many countries they are more creditworthy than the non-poor.

alleviation programme. These are only programmes to keep the poor physically alive.

We tried something different. We dared to give the poorest people bank credit. We included destitute women who had never in their lives even touched any money. We defied the rules. At each step, everybody shouted at us: "You are wasting your money; it will never come back; even if it is working now, it will collapse in no time; it will explode into shreds."

Grameen neither exploded nor disappeared. It expanded and reached more and more people. Today, after nineteen years, it services over 2 million borrowers; 94 per cent of whom are women. It works in 35,000 villages of Bangladesh — that is, over half of the total number of villages in Bangladesh.

Grameen lends out over US \$35 million in Bangladeshi currency each month in tiny loans. Its repayment rate, 98 per cent, is the envy of many top banks around the world. Grameen offers housing loans, between \$300 to \$600 each, to build a decent tin-roof house with a sanitary latrine. Grameen has given housing loans to build more than 350,000 houses, with a repayment rate of nearly 100 per cent.

Now how do we answer questions like: Are the poor

through our best efforts, touch only marginally?

Grameen Bank has relied on the creativity of the poor to generate income and employment for themselves. Grameen's tiny loans have helped the poor to invest in microenterprises (keeping poultry and livestock, trading in small amounts, funding traditional crafts such as weaving, pottery, etc.). Such home-based microenterprises have allowed the poor the freedom to live in their own villages, to make own decisions, and to be self-employed with dignity, rather than seeking wage employment in urban industrial areas. Credit for microenterprises has therefore paved the way for development with a human face, development that not only directly benefits the poor but also development that avoids the costs of urbanization and the alienation of the factory system.

I have come to believe that the alleviation of poverty is a matter of will. If poverty is unacceptable to all of us, it can be removed once and for all from the surface of the earth. We can make the next century the last century for poverty to exist on this earth. By the time twenty-first century approaches its midpoint, the world will be able to look back and think about the scourge of poverty and hunger as something of the

have steadily increased their income. They start crossing poverty line by the fifth year of their membership in Grameen Bank. One-third of Grameen borrowers have already crossed the poverty line. Grameen is working hard to see that all of the two million families who are with Grameen now, cross the poverty line by the year 2000.

Grameen borrowers are mostly illiterate. That slows down their capacity to bring changes in their economic and social situation. We have requested UNESCO to help us design and implement a basic education programme to guarantee hundred per cent basic education for all the two million Grameen families by the year 2000. UNESCO responded enthusiastically.

UNESCO and Grameen have signed a Memorandum of Understanding during Beijing Conference. It aims at creating the basis of partnership between these two organisations to collaborate in the fields of basic education, communication technology, science and culture to eradicate poverty at a faster pace from among the Grameen borrowers.

Through UNESCO-Grameen collaboration already initiatives have been taken to launch a basic education programme, facilitate marketing of Grameen

effort came from Malaysia, a decade back. A new NGO was created to start Grameen Programme in Malaysia. Today, this NGO, Amanah Ikhtiar Malaysia, works throughout Malaysia very successfully.

Since then Grameen replications came into being in 52 countries around the world. To provide technical assistance to replicators a new organisation was created. Grameen Trust, this new organisation, provides training to the staff of replication projects, arrange workshops for specialised staff, provide accounting software for branch accounting and MIS, make publications on various operational issues available, publishes newsletter to let the replicators keep in touch with each other. Grameen Trust organises exposure and dialogue programmes for policy makers, legislators, chief executives of NGOs and banks, and potential replicators.

Grameen Trust provides funding for Grameen replications where funding is difficult to arrange. It now provides funding to 55 projects in 14 countries, including Philippines, India, Nepal, China, Vietnam, Nigeria, Lesotho, and Bolivia.

Grameen type programmes are coming up in all kinds of countries. Besides in third world countries,

SEVERAL years after the application of the Pressler Law in letter and spirit, effectively drying up US economic and military aid to Pakistan, the Brown Amendment has been passed in overwhelming fashion by US Congress. The most important factor in the public mind regarding the stoppage of US Aid was the refusal of the US to honour the contractual obligation of delivery of F-16s (how many only God and the US \$350 million plus discrepancy in accounting can tell) already paid for, therefore the critics point to this lack of success as a rank failure, papered over by the sop of the Senator Brown Initiative to allow the rest of the military equipment stuck in the pipeline to flow through. The Ms Benazir regime is naturally effusive over the Amendment's approval as they point to a significant turnaround in our relationship with the US, which at one point of time in 1993 was about to declare us a "terrorist nation" in the company of such luminaries as Iraq, Libya, North Korea, Sudan, etc. In a recent article former VCOAS, Gen (Retd) K M Arif, has been scathingly sarcastic about the "achievements" of the Ms Benazir regime.

To put the facts on record, it was a major failure of the Zia regime to accept the Pressler Amendment. Given that in the late '70s the US Congress had passed a law against nuclear proliferation, banning aid to all developing countries engaged in the pursuit of nuclear expertise, the Pressler Amendment was simply a mechanism (allowing the US President to certify Pakistan's continuation of non-nuclear status) to allow US economic and military aid to flow into Pakistan in the wake of the Soviet incursion into Afghanistan. With US in an antagonistic relationship with Iran, Pakistan was vital ground as a logistics base to counter the Soviet threat. The Soviet invasion was seen as a precursor to the long-awaited Russian dream of reaching the warm waters of the Indian Ocean, this would expose vital US interests in the Gulf (particularly its oil) to Soviet interference. At the same time, it would open a totally new front to the existing ones in the West (Europe and Atlantic Ocean), East (Japan, S Korea and the Pacific Ocean) and the South West (Turkey, Middle East and the Mediterranean). A

direct land route to the Indian Ocean would allow the Soviets to maintain a major fleet in the Indian Ocean, outflanking NATO and putting both the Middle East and the ASEAN countries, normally US allies for the most part at maximum risk. The entire US global policy was under threat and it was little wonder that Pakistan again became a "cornerstone" of US policy fairly rapidly. Given that after the execution of the late PM Zulfikar Ali Bhutto in 1979, Gen Ziaul Haq was many degrees worse as an international pariah than Gen Sani Abacha of Nigeria is today, this was a remarkable transformation. From the doghouse, the late dictator rose to the top of the heap as a bulwark of the free (read western) world against Soviet expansion. Every nation has a fundamental right to protect its own vital interests, in the early '80s, with Iran, the designated western policeman for the Gulf gone, Pakistan became vital to the US to keep within the western camp. Since we were antipathic to the Soviet presence in Afghanistan, it suited Pakistan to play the "great game" on the side of the West.

One wonders what would have happened if Pakistan had pragmatically come to an arrangement with the Soviets that would have allowed Soviet hold over Afghanistan, restraining of the Mujahideen in some accommodation with the Soviets and a land access to the Balochistan coast with permission for Soviet naval facilities. One doubts that this scenario would have been palatable to the people of Pakistan or that the Afghan Mujahideen would have been restrained in any manner without guerrilla warfare taking place on both sides of the Durand Line. As such, it suited Pakistan's interest to come to terms with the US in its third party war in Afghanistan (a la Vietnam) but the fact remained that we did have options that we failed to use as bargaining chips during negotiations with the US with respect to US economic and military aid mostly as a grant. This was because of a total failure of the Zia regime (of which Gen Arif was a vital member) to protect Pakistan's fundamental interests by obtaining the maximum benefit from the circumstances.

Top of the agenda should have been Kashmir. India was an ally of the Soviet Union by treaty, it was supporting the

Russian adventure in Afghanistan. We should have taken a firm commitment from the US, which was on record about self-determination for the Kashmiri people. This we failed to do! Next, we should have never agreed to a conditional aid package. The US had accepted India's nuclear potential and we should have insisted that we should be treated at par with India over the nuclear issue i.e. acceptance of our nuclear expertise as a necessary deterrent to India's overwhelming numerical superiority in conventional weapons and equipment, almost a 4:1 ratio at places. This we failed to do! Since Karachi was used as a major logistics staging port for Afghan refugees, the main feed for the Afghan Mujahideen, we should have insisted upon development, at US and western expense, of

Hash "Brown"

production and population, our value-added export in early 1980s would have crossed the \$ 10 billion mark, estimated today conservatively at \$25 billion. This would have put the economy into the orbit of the Asian Tigers like Japan, Taiwan and South Korea, even Thailand and Singapore in the early 1980s. This we failed to do! In the end, the US and western countries should have been asked to forgive our debt in the manner they have done post the Gulf War for Egypt (\$14 billion), Jordan (\$750 million), etc, that would have got us out of the debt trap. That we failed to do! While people like Gen Arif are fine human beings who deserve individual respect, they have no moral right to cast judgment on successive governments who are reaping the whirlwind for their failure in sowing the

AS I SEE IT
Ikram Sehgal writes from Karachi

Karachi and an alternate port at Gwadar. This we failed to do! We should have insisted upon development of first class motorways connecting Karachi to Peshawar (and up to the border), Karachi to Quetta/Chaman (and up to the border), Gwadar to Quetta/Chaman as well as Gwadar to Rato Dero (connecting the Karachi-Peshawar Motorway). This we failed to do! We should have gone for four to five modern cities at western cost in the geographical alignment Quetta-Peshawar to house the refugees, taking over the cities and relocating industrial parks in the aftermath of the war. This we failed to do as we were happy with supply of tents in which many Afghan Refugees still live in 15 years later!

With respect to arms and equipment, we should have insisted for in-country manufacture from F-16s to tanks to small arms, as Turkey and Egypt and other had done. This we failed to do! Above all we failed with respect to the economy. Ours is a cotton-based economy and we are smothered by US and EEC quotas on our textile manufactures. If our quotas had been raised to reflect our

potential, to give necessary certification to US Congress. Our aid then rapidly dried up, particularly military aid. The portents were there on the wall for anyone to see but we kept hoping otherwise and kept paying installments for the F-16s kept in storage in the Mojave Desert. As the cooperation between the CIA and ISI also scaled down in Afghanistan, the Afghan Mujahideen turned from freedom fighters into potential "terrorists of the fundamentalist-kind." To make matters worse, the then PM chose a man with conservative religious bent, Lt Gen Javed Nasir, to be DG ISI, thus running afoul of the US on one hand and his own COAS Gen Asif Nawaz Janjua on the other, though for different reasons.

In an inspirational example of Murphy's law at its worst, at about the time the US was clamping down on terrorism as a world policy, Javed Nasir's ISI seemed to embark on their own Jihad "in the spread of Islam." Needless to say, with great and undisguised glee, the Indians smeared us far and wide for true and false alike, mostly false. Soon we were almost among the nations on the US hit-list. The events of 1993 changed things and by the end of the year the new DG ISI went to the other extreme in a "more loyal than the king" exercise, not only putting paid to our intelligence expertise gathered over a dozen years of working closely with a superpower in the continued demise of another superpower but effectively destroying most of ISI's inherent capabilities acquired through hard experience. Worst of all, the best (and most) of ISI's human assets were sent home, mostly to ruminate as to why they risked life and limb in their country's cause for so long? From a peak wartime capability the ISI rapidly became filled with peacetime soldiers loath to change the status quo.

Enter Ms Benazir into this sorry state of things. We may not agree with the US on a great number of things, we cannot escape the fact that it is presently the only superpower and one that we have to live with whether for high-tech and/or sophisticated military expertise or for economic development, we have to primarily deal with the US. From a terrorist nation status, however extreme in being judged so, we had to return to the status of a devel-

oping nation with economic potential attractive to western investors. The F-16s or other sophisticated military equipment remained beyond our reach but the ones in the pipeline were still needed. The ignorant cannot even begin to understand why it is necessary to be an economic powerhouse before aspiring to maintain a credible military deterrent, particularly in the face of development of high-tech and sophisticated military hardware by India indigenously as well as an ability to acquire such equipment from all available world sources. The Pressler Law ensured that all US investment was closed to us, with the rest of the developed world taking its cue from the US. We were bereft of necessary US government financial guarantees for investment available through OPIC, MARAD, etc. We had to break out of the cold that we were being thrust into, a stage would have come that the military and economic disparity would have been so predominantly in India's favour that they would not have to go to war with us to establish hegemony in the entire region. It was necessary Ms Benazir took it up as the utmost challenge to stop the rot and reverse the trend.

Ms Maleeha Lodhi, our Ambassador in the US, has done a remarkable job. Not only did she have to break the mindset in the US Congress as regards their attitude towards a dependable and time tested friend, she failed to convince the US Administration (and at that a Democratic one) that we were partners in the effort. The whole Pakistani community, normally riven by divisions along party lines, came together as she motivated them to do so out of a commitment to national objectives. It was a team effort that had Ms Benazir's unrelenting charisma in the west to back the effort in accomplishing a national purpose. We needed the Brown Amendment. According to an old saying, even a journey of a thousand miles has to start with a single step, this was one giant stride down the road to acceptability as a responsible player among the comity of nations. So let's not be peevish about credit where credit is due, let's not "hash" the Brown Amendment out of spite. One has to be objective and pragmatic about ground realities, the Brown Amendment is one such reality.