

Congress Edgy as UF Settling Down

Elections in Punjab are in 1997. But they are due in UP by the end of September. The gain the Congress makes in UP may be Rao's litmus test. If he feels that Congress is on a comeback trail, he may begin to needle the Deve Gowda government.

Listen to the Japanese

The Japanese Economic Mission visiting Bangladesh after the installation of a new government here has made it clear that their keenness to invest in Bangladesh is matched by their serious concern over the 'poor and underdeveloped' state of our infrastructure.

There is no ambiguity whatsoever about the interest the Japanese evince in Bangladesh following assurances received by them from authorities here on 'safe return of their investment' coupled with the prospects of a legal cover held out to them for operating their own industrial zones in Bangladesh. If they wished. All this is on the credit side, but on the negative account we have inadequacies to overcome before our investibility rating can go up.

Our understanding of the imperative to be competitive with other countries in attracting foreign investment has been limited to merely declaring fiscal incentives from without any corresponding efforts to upgrade the infrastructure.

The Japanese want the Chittagong airport and the maritime port to be modernised and brought up to international standards. They have also underscored the dire need for developing the power and telecommunications sectors to strengthen the connective tissues of the infrastructure as a whole.

The other drawback the Japanese mind no words in pointing out to us, joining the inter-factional chorus on the subject, relates to the regulatory behaviour of our bureaucracy. It is time for the rigmarole to be replaced by a literally one-step service which India has adopted through its latest budget. For a large number of specified industries in that country all that the foreign investors have to do now is name their choice centrally in Delhi and go off to the field to set up the industry without a bureaucratic bother in-between.

The Japanese are a cut above others in identifying the investment potential of a country and utilising it optimally with a great attention for details. They mean business, and that is why they appear to be so clinical and thorough when making up their mind. Let's pay heed to the Japanese.

Non-farm Development

Rural non-farm activities have long been sidelined. The little recognition these receive from time to time owes largely to the interest shown in them by a few dedicated and dynamic NGOs. But there is no denying that given opportunities, rural artisans can work wonders with their traditional skills and a knack for improvisation or innovation. Sadly, the potential of our village craftsmen or women remains largely unrealised. Now the experts point to the sector's direction as a possible large contributor to the national economy.

So far the non-farm activities have been limited to production of handicrafts and items of exotic nature with an eye to exporting these to overseas markets. Of late the handloom has been successfully utilised by the Grameen Bank to produce fabric and cloth material comparable to the best of their kinds available elsewhere. And these are doing brisk business, but on a limited scale. So the challenge today is to realise the huge potential of the rural people not only in the traditional crafts but also in agro-based small cottage industries. Two things need to be taken care of for this to happen: making the initial investment in such enterprises and developing marketing outlet for the products.

That our people are highly productive when given the right opportunities needs hardly to be emphasised. Now an appropriate policy has to be put in place for maximum utilisation of their inherent capabilities. If the majority of our population living in villages can put in their labour and skill the outcome can only be an accelerated economic growth. So we welcome the suggestion made by an expert at a seminar on non-farm activities for institutional arrangements to enable private entrepreneurs, public agencies and NGOs, as partners, to put their acts together in this vital area. Equally important will be to ensure that our products are not adversely affected due to measures adopted by other countries dealing in similar commodities abroad. A fall-out of trade liberalisation has been a certain substitution effect on our non-farm sector which needs to be mitigated by an adjustment of tariffs with the competing countries.

Pravda's Demise!

The Pravda, Russia's best known newspaper ceases to come out. Founded by Vladimir Lenin — who also was the founder of the first communist state, the Soviet Union, the paper used to promote the official line of the communist party till the disintegration of the country. After the break-up of the Soviet Union, the Pravda has gone through critical phases of reorganisation. Its survival was not particularly in danger when it abandoned the staunch communist campaign and started fine-tuning itself to Boris Yeltsin's government.

Although the honeymoon was not without incidents, its future did not appear to be in any imminent danger either. Now the paper has ceased publication as a result of a row over a petty matter between the editor and its Greek owners. The owners have been denied entry into the Pravda building as a sequel to the tiff. An this is very unfortunate. The paper had braved through worse days and if its demise proves to be permanent, a part of Russian history will also go into oblivion with it. We hope the quarrel between the owners and the editor will not stand in the way of its re-emergence.

ONE question which is practically on everyone's lips is how long the Deve Gowda government will last? The straight answer is: till such time as the Congress feels viable enough to face fresh polls. It involves the rehabilitation of the party or some other process. This may happen later than sooner.

Congress has no alternatives. It can neither join hands with the Bhartiya Janata Party, nor can it find support to form a government. In case it pulls down the Deve Gowda government, fresh elections will become inevitable. The party is not ready for them after having received the worst drubbing it ever had only three months ago. In fact, immediate polls may benefit the BJP, a situation which Congress would not like.

Congress president P V Narasimha Rao's alliance with Kanshi Ram, chief of the Bahujan Samaj Party (BSP), first in UP and then in Punjab, is the first step that Congress has taken on a long haul towards some recovery. The dalits, now avowing loyalty to the BSP, were once the vote bank of Congress. Rao feels that his party may re-establish its contacts with the dalits through the BSP. He has probably no illusions but he would feel rewarded if the dalits deliver to Congress even part of their vote, 20 per cent in the Lok Sabha election in UP.

True, Rao has taken the risk of alienating the upper castes, which are a target of the BSP for all its abuses. But he believes that the upper castes have already left Congress and moved to the BJP. Where his

calculations go wrong is the effect of his alliance will have on the Jats in UP and Punjab. They cannot reconcile themselves to a situation where they and the dalits are on the same side.

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In any case, the future of the United Front government is dependent on the outcome of the UP elections. Defence Minister Mulayam Singh makes no secret of it. The return of the BJP or the process of the BSP-Congress alliance can pose a serious threat to the Deve Gowda government.

Moreover, between now and the polls in UP, things can change in Congress to change the shape of the party. Rao, who does not want to join issue with prime minister Gowda at present, may lose the position of Congress president. One, he faces a danger from within the party. There have been pressures on him to quit on his own. He has suggested that he is ready to do so if his opponents in the party should find a consensus candidate to succeed him. Obviously, that is not possible because there is unanimity of sorts that Rao should go but there is no unanimity on who

should come in his place.

Two, cases in law courts are a greater danger to him. Two or three cases are really bad. Of course, the worst case is that of St Kitts where he ordered the authentication of a bogus account in the name of P Singh's son, Ajaya Singh. Since V P Singh, when in power, ordered that the case against Rao need not be pursued, the CBI may not pursue it.

Congress. In both cases, the fallout may be different. Congress would like to join the Deve Gowda government. Even now, there is pressure to do so. In the case of split, some Congress members can support the BJP from outside. The BJP leaders have themselves given such a hint. Apparently, some are in touch with the BJP already.

The status quo, whereby Congress has no say in a gov-

This was expected.

On the other hand, even the United Front has not settled to cohesion and collective thinking. This came to the fore first when finance minister Chidambaram announced austerity measures and then when the hike was announced in the petroleum products. There should have been a threadbare discussion on these matters. But it is apparent that the UF constituents do not meet among themselves too often. And even if they do, they do not seem to discuss government measures.

Otherwise, the attack by the communists on the hike is not understandable. The two CPI members in the cabinet were reportedly vehement in their criticism against the hike. The communists (Marxists) have, in fact, sent a note to the prime minister to suggest certain economic measures. They expect the budget to reflect the suggestions. If this does not happen, they may be up in arms.

That there is no love lost between Chidambaram and the communists is known. But what is not known is that the two are making a serious effort to lessen the chasm between them. According to a top communist leader, there is a slight change in Chidambaram. The faction to which Chidambaram belongs is as important to the United Front as the communists are. Their differences will only en-

courage those who are sitting on the sidelines for an opportunity to exploit. Congress is one of them.

There is need to activate the forum of chief ministers of the United Front. It was constituted when the front's steering committee was formulated. The committee has been meeting, not the forum. The advantage of activating the forum is that the chief ministers, who are directly administering the states, realise how a solution that meets different points of view. Heads of political parties tend to be too dogmatic. Ultimately, their chief ministers count, and their word should be the last one.

At times it looks as if the United Front is a victim of Janata Dal politics; its pulls and pressures affect the front's functioning. The Janata Dal is only one constituent of the front. It would be better if the front were to have a separate entity and act that way so that the United Front and the Janata Dal do not look the same. There should be two different offices as well.

One thing which the constituents of the United Front seem forgetting is that their acts of omission and commission will count when they go to the polls again. If they were to take some bold decisions, departing from the sterile policies of Congress, they would catch the imagination of the people. They have to prove that the United Front experiment has succeeded. Otherwise, the BJP will be the biggest gainer. Congress should also note it.

BETWEEN THE LINES

Kuldip Nayar writes from New Delhi

Bit the bribery to the Jarkhand Mukti Morcha (JMM) members when Rao faced a vote of no-confidence in the Lok Sabha in 1993 has cast a shadow on him. Former JMM MP Shailendra Mahato has told the CBI that former prime minister Narasimha Rao bribed four JMM MPs to vote for Congress. Still worse are the disclosures by Lakshubhai Pathak who has alleged that Rao told him in New York in godman Chandraswami's room that his work would be done. Pathak has said he paid \$1 lakh.

A stricture of any court or the CBI's registration of a case can force Rao to quit. But many are apprehending a split in

ernment, is not to the liking of most Congress MPs. They feel neglected because there is no regular consultation between them and the United Front. Still worse is the confrontation which has got sharpened between Congress and units of the United Front.

In West Bengal and Kerala, the communists and Congressmen are at war. The Janata Dal and Congress are face to face in Orissa, Bihar and Karnataka. The Telugu Desam, in Andhra Pradesh finds Congress going out of the way to embarrass the party. In Tamil Nadu, the DMK finds Congress openly supporting Jayalalitha, chief minister Karunanidhi's main opponent.

Learning from East Asia: Lessons for South Asia

By Prof Nurul Islam

This is an extract of a report prepared by the author on the just concluded three-day International Conference on 'Learning from East Asia: Lessons for South Asia' organised by the Centre for Policy Dialogue, Dhaka.

THE three-day international seminar on 'Learning from East Asia: Lessons for South Asia', organised by the Centre for Policy Dialogue in collaboration with World Bank, UNDP and the FES-CASAC was inaugurated by the Prime Minister Sheikh Hasina on 27 July 96. This seminar continued on the 28th and 29th July, 1996 with three sessions held on 'Poverty Alleviation', 'Learning from China' and 'Governance and Development'. A distinguished panel of internationally renowned experts participated in the conference along with a number of noted politicians, academics, high government officials, scholars and representatives of the civil society.

The session on 'Poverty Alleviation' was chaired by Prof Gus Ranis, Prof. Economic Growth Centre, Yale University. The discussion focused on three central issues — (a) growth and poverty reduction, (b) lessons to be learned from the East Asian experience and (c) shared growth and participation.

In discussing the nexus between growth and poverty reduction the participants concentrated their attention on the specific character of the growth process that particular countries followed, and what impact growth had in terms of poverty reduction of these countries. Prof D Probovo, citing from his survey results, argued that the two important elements that had profoundly influenced the growth process in Indonesia were education and decentralised public services. These had a positive impact on poverty reduction in Indonesia. Professor D Pant, Member, National Planning Commission of Nepal drew attention to the importance of coordination between private sector and government in reducing poverty in the era of liberalisation. He thought that there is a poverty zone that includes Bangladesh, Nepal and the States of Bihar and Uttar Pradesh in India and concerted efforts were needed to tackle this regional problem. Taking part in the discussion Dr Binayak Sen put forward his argument that while in the short run inequality may not be a critical factor affecting growth, in the long run, it is. He thought that infrastructure is a key factor in contributing to poverty reduction and growth with equity.

Dr Nayar made a distinction between those just below the poverty line and those in extreme poverty and was of the opinion that the trickle down effect does not readily reach the bottom 20 per cent of the population. For this group direct transfers may be necessary. Gustav Ranis put forward the thesis that growth is an immediate product, rather than a final product, and that the ultimate aim of all economic activity is human welfare. Some of the participants thought that there is a trade-off, at least in the short term, between growth and equity. Supporting this view Dr Azizul Islam expressed his opinion that policy makers should devise concrete measures to minimise the impact of this trade-off on the poor.

Drawing attention to the lessons from the East and South-East Asian regions Prof Nurul Islam, former deputy chairman, Bangladesh Planning Commission, emphasised the need to distinguish between the East and South-East Asian experience. Mr Azizul Islam put emphasis on rural development and agricultural growth and mentioned the importance of land reforms which were critical to poverty reduction in Malaysia. Prof Jomo drew attention to higher female participation as an explanatory factor of poverty reduction in both Indonesia and Malaysia. Most of the participants thought that emphasis on human resource develop-

ment as well as demographic policies played an important role in reducing poverty in both South-East and East Asia, and the South Asian nations should give priority to these factors in their growth policies.

Professor Gus Ranis thought that decentralised industrialisation and incentives given to labour helped the general public in both Taiwan and Korea. In contrast, the Chinese experience shows a greater inequality between urban and rural areas. Ayyoob Khan, former State Minister for Planning argued that in South Asia the governments are under tremendous pressure to reduce poverty and this compulsion sometimes defines the growth process that is to be pursued. There is a greater need for coordination, specially for imparting education and skill. The issue of better macro-economic management was highlighted by a number of participants, as having important implications for reducing poverty of the masses. A solid macro-framework was needed to reduce the rural-urban and urban-peri urban difference. Mr. Saifur Rahman, former Finance Minister emphasised the role of macro-economic management in reducing poverty. Minister for Agriculture, Begum Matia Chowdhury taking part in the discussion, drew attention to the fact that, because of social stratification, the poor can hardly have access to the facilities provided for them by the state. Even NGOs cannot go against the interests of local elite which thereby limits their outreach to the very poor. She emphasised the limited impact of official programmes on the poor and the high transaction costs to the poor in having access to such programmes. The participants agreed that South Asian countries need to put more emphasis on education and creation of capacity to make choices and only through these can the poor be empowered to seek greater participation in the development process.

The third session on 'Learning from China: Experience' was chaired by Dr Lal Jayawardena, Economic Advisor to the President of Sri Lanka. The discussion concentrated on what South Asia can learn from the Chinese experience with economic reforms. Professor Justin Yifu Lin of Peking University was of the opinion that two different approaches can be identified for the transition from a centrally planned economy to a decentralised market economy. The first is the East European one (which he termed as the shock therapy approach) which emphasises stabilisation, marketisation and privatisation and the second is the Chinese approach (the evolutionary approach) which was, according to him, piecemeal, sequential and experimental.

The Chinese reform's distinct characteristic was that it did not involve largescale privatisation; rather some enclaves were developed to attract foreign direct investment. The decentralised and localised industrial development was successfully pursued under the direction of village and township authorities which helped to disseminate the positive results of growth to the rural areas. It was drawn to his attention by one participant that the central difference between the Russian experience and Chinese experience was that, in Russia, political reforms were carried out first and economic reforms were initiated later. However, by that time the state lost its

capacity to implement the reforms. In China, economic reforms were initiated first in contrast to that of Russia, by state which retained the political authority to implement the reforms.

A lively debate ensued as to the character of the reforms. Opinions differed on both the mode of the reforms as well as the outcome of reforms. A number of leading political leaders of left parties including Rashid Khan Menon, General Secretary, Bangladesh Workers Party and M I Selim, General Secretary of the Communist Party of Bangladesh, took part in the discussion. Selim was of the opinion that the reforms in China should be seen as part of history's march towards a society based on economic equality and social justice and not as a failure of the socialist theory. Most of the participants however agreed that the days of 'models' are over and that each country should pursue its own path based on national characteristics, cultural heritage and the particular historical context.

The fourth session held on 29th July, 1996 was moderated by Prof Rehman Sobhan, Executive Chairman of the CPD. The subject of discussion was the broader theme of 'Governance and Development'. The discussion was structured around the following sub-themes: (a) The issue of vision and administration, (b) The role of the public and private sector and (c) Democracy and development.

While discussing the issue of 'vision and administration', participants discussed the ideological/motivational and institutional aspects of fast growing economies of the East and South-East Asia and argued over what South Asian countries can learn from them. Discussions included the nature of the associated historical realities of the East Asian countries (Cold War, nationalism etc) that to a large extent determined the content of the broader developmental strategies of these countries. The

obsession on the part of the rulers to catch up with the developed economies explains the rush for technology acquisition, heavy emphasis on education, the later move to build a heavy industrial base, the strong emphasis given to political and social stability and last but not the least, the need for a leadership armed with a sense of vision needed for the mobilisation of the people behind an agenda for development. Although there was little accountability and transparency, the regimes of East Asia practiced their own model of both top-down accountability as well as accountability of operatives of public services to the local community that ensured more efficient governance. Above all, in terms of state-civil society relations, the state behaved as a 'developmental state' (as opposed to 'regulatory state' of the Anglo-Saxon type, as practiced in India). This meant, selective and promotional interventions by the East Asian states in the market, disciplining of both labour and capital and the nurturing of a competent techno-bureaucracy that could operate without being captured by societal pressure groups.

In contrast, the participants argued, lack of a development vision and worse, the very low capability to implement broad plans, as envisaged by the state, characterised the South Asian societies. Absence of accountability and transparency coupled with capricious enforcement of law and order, have also contributed to the poor economic performances in these societies. Several participants emphasised the point that while a vision is essential to give direction to the development process, yet it should be realistic and consistent with the endowment structure of the economy. But, too much caution or realism, as one participant pointed out, could also be self-defeating. If one intends to take the factor endowments of an economy as

given and makes no effort to transform these endowments to conform with a developmental vision, then what's the point of talking about a visionary leadership and state?

The institutional aspects of the privatisation of the state-owned enterprises in the East Asian states figured prominently during the discussion on 'Public and Private Sector'. Participants dealt with various issues such as the large share and key role given to public enterprises in the development design of most East Asian countries, the comparative efficiency of public and private sectors, various theoretical positions on state-market relations, the impact of managerial autonomy on the performances of the enterprises, the influences of the various pressure groups (donors, capitalist, labour) on the proper functioning of the public enterprises and finally, the implications of the more recent ideologically driven privatisation processes and its effect on the economy.

While discussing the theme on 'Democracy and Development', the emphasis was on the critical question of how to make democracy work in the South Asian context, so that it promotes and enhances both development as well as good governance. Participants debated several pertinent questions, for example, which comes first, economic or political liberalisation? Is there any hard empirical support and proper logic behind the argument that a developing economy needs political stability before democratisation? Participants discussed the view that authoritarianism has been used as an instrument by some East Asian regimes to justify their developmental goals for a country involved in the process of catching up. For a sustainable democracy in South Asia what is needed is the development of political capacity of the system, which in turn requires effective mechanisms of consensus and coalition building, rule of law

and a social commitment on the part of the elite to empower the bottom 50 per cent of the population.

When a strong state and weak civil society are the normal reality of South Asia, the question of strong grassroots mobilisation assumes some importance. Discussion was joined on the issue of whether NGOs can or should play the critical role in facilitating the empowerment of the civil society actors, especially the bottom half? What would be the nature of state-NGO interaction in the future? The contrasting East and South Asian experience with strong states and strong NGOs was discussed. Several participants strongly argued in favour of a new civil society where democracy is not considered as a means to an end but an end in itself. Gender equality, environmental safeguards and distributive equity were discussed as to their importance for designing a developmental vision for South Asia.

The concluding session, held in the afternoon, was chaired by Prof Nurul Islam. The Finance Minister, Mr S A M S Kibria attended the session and offered the concluding remarks. The Finance Minister, commented that although a 'slavish' copy of East Asia or South-East Asian countries is not feasible and also not desirable, there are various things that we can learn from these countries to our great benefit. For example, high emphasis on mass education, the strong urge to learn from others, consensus on vital national issues etc, are some of the areas that we need to absorb from the East Asian experience and learn more. In his concluding remarks, Prof Sobhan emphasised the role of CPD, as a civil society actor, in facilitating the process of consensus building. He suggested that although parliament is the centre for consensus building, there are also echelons of civil society, where attempts may be made to build a consensus around specific policy issues as part of a process of promoting good governance and need for building a more efficient economy.

A homage to Justice Abu Sayeed Chowdhury

by Fazlul Qader Quaderi

TODAY is the 9th death anniversary of Justice Abu Sayeed Chowdhury — the first constitutional President of Bangladesh. When his dead body was brought to Dhaka covered in red-green national flag of Bangladesh, it reminded me of the East Asian country's poem 'Home they brought their warrior dead'. Really, he was a warrior. Justice Chowdhury breathed his last nine years ago on 1st August at about 1:30 am in a London sub-way railway station when he was going to buy some medicine for his heart ailment.

The historic contribution of Justice Chowdhury to the cause of liberation struggle of Bangladesh can hardly be exaggerated. He was the first man to have sent a letter to the education secretary of the then Pakistan saying, 'There is no point of my continuing to be the Vice-Chancellor of the Dhaka University when my unarmed students are shot at and killed. My dead body will rather lie in London street than to compromise with Pakistan.' It speaks of his great indignation and hatred against Pakistani atrocities. What an irony of fate, his dead body did not actually lie in London street.

To propagate the cause of humanism, mitigate the sufferings of millions and advocate the just and righteous cause of

the Bengalees and their heroic fight against the occupation army of Pakistan, Justice Chowdhury moved heaven and earth, ran from pillar to post, travelled all through Europe to arouse public opinion in favour of Bangladesh — when 10 million people took refuge in India, millions led a nomadic life inside the country, three millions were being killed and thousands of our sisters kept as captive in the army bunkers. He could obtain signature of 210 members of the British Parliament supporting the cause of Bangladesh freedom struggle only by dint of his honest and sincere efforts. He was the first man to unfurl the Bangladesh flag in 1971 at Hyde Park in London. He also inaugurated the exhibition of Bangladesh stamps designed by Amiya Tarafdar, an Indian national, at the same place in London. He had hard time in mobilising world opinion in favour of the liberation struggle and against the worst genocide committed in Bangladesh. It was due to his tireless efforts that the feeling touched the distant shores of the world. His speeches delivered in Geneva and later published in the London Observer under the caption 'Genocide of Holocaust' will remain as a milestone in the history of lib-

eration struggle of Bangladesh. He represented Bangladesh as a roaming ambassador and in the UNO. All these are facts and part of our national history.

He was a man of dignity and amiable disposition. He had profound knowledge in history and literature besides being a great jurist. He could quote profusely from Tagore and Nazrul. Being a champion of human rights, votary of truth, firm believer in democracy and a man of strong principles, his heart would melt at the sufferings and distress of the poor. He had his higher education from Presidency College at Calcutta, where Siddhartha Sankar Roy and Satyajit Ray both were his classmates. He had occasions to know very closely Acharjya Prafulla Chandra Roy, Subhas Bose, Deshbandhu Chittaranjan Das by sheer dint of his merit. He was also very close to Sher-e-Bangla A K Fazlul Huq and Bangabandhu Sheikh Mujibur Rahman. He did his Bar-at-Law from Lincoln's Inn at London. He was the chairman of Bangladesh Red Cross Society and Bengali Development Board since 1962 up to the date of his being appointed as the first constitutional President of Bangladesh in 1972. His association with all philanthropic and humanitarian or-

ganisations needs no mention.

As regards his family life, Justice Abu Sayeed Chowdhury was born on 31st January 1921 in a respectable Muslim family in Tangail. His father Mr Abdul Hamid Chowdhury was an ex-Speaker of East Pakistan Assembly. He got married in 1946 with Khurshid Chowdhury. They had two sons and one daughter. His eldest son Abul Hasan Chowdhury is at present the State Minister for Foreign Affairs of the newly-inducted Awami League government. He was a loving husband and affectionate father and above all an internationalist. He contributed to the preparation of the Constitution of the country.

A man of unparalleled personality, pioneer of human rights, upholder of democratic values and a great champion of humanism has virtually gone into oblivion. He has become a forgotten man in history. The author has been a great admirer of him very closely and found him to be a man of amiable disposition and a gentleman par excellence.

In conclusion, I cannot check the temptation of quoting Mark Antony in the drama 'Julius Caesar' by William Shakespeare, when he said, pointing at the body of slain Caesar, 'He was the man, when comes such another, The Romans cried out, 'Never, never'.