

Non-Aligned Movement: An Appraisal

by Barrister Harun ur Rashid

The central message for NAM is to redirect its focus on economic development in the member-countries and the development should be people-centred. It should direct its energy for better economic performance and for action to spread the benefits of economic growth more widely among people.

It is gratifying to note that Bangladesh will have the honour to host the next Non-Aligned Summit in Dhaka in 2001. The selection is a reflection of an admirable standing of Bangladesh among the 114 member-countries of the Non-Aligned Movement (NAM). Bangladesh, as the Chairperson of the Summit, will be in a unique position to redefine the Movement for the 21st century. But prior to discussing the new directions to which the NAM will need to focus, I wish to offer a few general comments on the NAM.

Background
It needs to be noted that non-alignment is not neutrality. Neutrality often leads to isolation from the events in the world affairs. The principles of non-alignment are not rooted in isolation but in dynamism. As former President Julius Nyerere of Tanzania once aptly described: "Non-alignment is and could only be a policy of involvement in world affairs." Non-Aligned members pursued an independent view on the events in the world and were free from influence of a super power to decide on the merits of an issue. At the height of cold war, the leaders of four countries — India, Indonesia, Egypt and Yugoslavia — did not wish to embroil the developing countries in the rivalry of the US and the Soviet Union. The developing countries, although they varied greatly in size, in levels of development, in economic, social and political structures, had the same common goal, namely, the alleviation of poverty and removal of social injustice in their communities. They realised the obvious fact that for development and economic growth international peace and security were imperative. The developing countries should not be seen aligned with any super power.

The leaders from the four countries (Nehru, Sukarno, Nasser and Tito) decided to issue an invitation to less than 30 heads of State/government suggesting that a Conference be held to assess the global situation and to create a Third Force in the world politics that would distance itself from the super powers. The first Summit of the NAM was held in Belgrade (Yugoslavia) in December 1961 with 25 nations and 3 Observers.

The principles that gave substance and shape to the NAM are (a) no member-country should allow the use of its territory for carving out spheres of influence and stationing of foreign military troops (b) the member-coun-

tries shall pursue for a general and complete disarmament (c) the member countries will strongly support the struggle of all people under foreign domination to exercise their right of self-determination (d) the member-countries recognise that without economic independence political independence is meaningless and therefore they wish to re-structure the global economic order to make it equitable, fair and just and (e) the member-countries adhere to principles of collective and individual self-reliance.

Political analysts believe that although the primary aim of the four leaders was to reduce tension globally, they had their own "hidden" agenda in the formation of the NAM. India saw Pakistan aligned formally with the US through SEATO and Baghdad Pact. Indonesia wanted at that time to dominate the South East Asia and the Indian Ocean. Egypt having been successful in the 1956 war with Anglo-French forces, wished to carve out its own sphere of influence in the Arab world. In their own rights they had a desire to be great regional powers and they perceived that either the US or the Soviet Union had diminished their role in the region. Yugoslavia, though a communist state, wanted to be free from the Soviet domination and sought an independent role so as to receive political dividends from the US.

Although the Non-Aligned countries were formally "non-aligned" with either of the super powers, in practice there was hardly any country which was found to be so. India and Egypt were inclined to be supportive of the Soviet Union as against the US. India was linked through a Friendship Treaty with the Soviet Union (1971) and Cuba was seen to be fully aligned with the Soviet Union. At the Havana Conference in 1979, Cuba almost hijacked the NAM from its non-bloc character and it was with the support of the founding member, Yugoslavia, its basic principles of independence from super power rivalries and influences were reaffirmed. Although the countries were formally non-aligned they had maintained informal attachments with the super powers for aid and supply of arms and ammunitions. In that

background the US used to call the member countries as the "non-aligned nations."

NAM's Role
The NAM has played an indispensable role in the process of decolonisation of the colonies. It has provided major thrust in the efforts for disarmament and was directly responsible for convening of historic 10th Special Session of the UN General Assembly on Disarmament in 1978. It lent a powerful voice in the UN and other multi-lateral forums on behalf of the developing countries on wide ranging issues. It has advocated towards a more secure and predictable peace, greater economic well-being, social justice and environmental sustainability. Multilateral diplomacy was invented and has been sustained to achieve the objectives of NAM. It prevented the smaller countries from being absorbed in the polarized world between the US and the Soviet Union.

Another significant feature of NAM is that the members have the flexibility to decide on any issue solely on its merits. There is no compulsion of a bloc vote and a small country has a political freedom to come to a view on any issue independently. All decisions in the NAM Conference are adopted by consensus and not by vote. Above all, the very size of the NAM consisting of member-countries from all continents, representing peoples from all religions, race, culture and political system is a testimony to the richness and variety of the NAM that has been able to unify the member countries towards achieving the goals of the NAM.

However, looking back on the progress of the NAM, one cannot but feel that the objectives of the NAM were too ambitious and the NAM appeared to have failed not only to alleviate poverty among the people of the member-countries but also remained a spectator to the massive build up of nuclear weapons and missiles by the two super powers. Meaningful disarmament on nuclear weapons started when the two super powers realised themselves that sufficient mutual deterrence could exist with much reduced weapons. Since the NAM could only "bark" but not "bite" the super powers, they ignored the views of the NAM. Grim statistics has been re-

vealed in the UN Human Development Report of 1998 (published on 9 September) which state in the face of the NAM member-countries. The Report reveals that 20 per cent of the world's population consumes 86 per cent of all goods and services. It also says that 20 per cent of people consume nearly half of the world's meat and fish and a child born in the US, Britain or France will consume, waste and pollute more in its lifetime than 50 children in a developing country. It further says that 70 and 80 countries have lower incomes per head than 10 or 30 years ago. People in Africa consume 20 per cent less than they did 25 years ago.

The question is: Why the NAM failed?
I would submit the following arguments.

Many of the NAM member countries remained undemocratic, unaccountable and were known to be corrupt. The leaders had spent more money on acquisition of arms and ammunitions than they did for alleviation of poverty. Many of the arms and ammunitions were used to suppress and oppress their own people. The leaders looked after their personal interests to the utter neglect of their people. The bottom line is that lack of accountability, corruption and militarization eroded the economic and political bases of development in the country.

Many of them allowed themselves to be involved in a proxy war for their personal gains either within their territories or in a third country. After 1945, almost all armed conflicts took place in the developing countries—members of the NAM. Many of leaders wanted to favour the super powers and in return they received generous personal benefits.

There is hardly any co-operative and developmental strategies pursued vigorously by the NAM. The member-countries failed to become self-reliant and to make greater use of their own resources, national and collective. They failed as a group to secure meaningful and equitable global reforms through negotiations with the industrialised countries (G-7). They remain powerless in the world arena because their economies are weak and defenceless. They continue to exist

on the periphery of the industrialised countries.

It is apparent that industrial development in the member countries tended to meet the demands of the higher income groups. The worst sufferers and almost invariably the least able to protest or protect their interests were usually the most vulnerable of the poor — women, children and other socially disadvantaged groups. Greater dependence on imports from the rich countries was allowed. Scientific and technological dependence on the developed countries became more pronounced since there was insufficient recognition of the role of science and technology in development and inadequate spending on research and development.

News-paper reports suggest that the recently concluded NAM Summit at Durban (South Africa) on September 2nd and 3rd demonstrated the usual pattern of motherhood and rhetorical statements at the end of Summit. The conference could not resolve the conflicts in Congo, almost at its door step. The forum was seen to have been used to settle political scores against each other. On economic fronts, although there were a programme of activities that range from the normative to operational, no time-bound institutional framework appeared to have been formed up.

Now where do we go from here?

The original objective was that no member country should be locked into either with the US and the Soviet Union. With the collapse of the communist and the Soviet Union, the objective and the term "Non-Aligned" appear to have lost their relevance. However it remains a good mechanism for the developing countries to meet at its highest political level every three years. Since the member countries have been marginalised in the global economy, the NAM should smarten its act in economic and social fronts to become relevant in the 21st century.

Economic management and social harmony should be the primary aim of the NAM. I would suggest that certain strategies would have to be adopted to make the voice of the NAM felt in the increasingly competitive world. Increased reliance on the collec-

tive resources of the member countries through diversified and reinforced processes of political, economic and social cooperation will be required to face the modern day challenges. Food security, debt relief, fair price of commodities, scientific and technological development and environment are the areas on which dialogue needs to be opened with G-7 countries. People to people contact should be increased and flows of information through the media should be intensified. An effective population policy, based on a social development strategy, needs to be pursued.

On the political front, the NAM member countries should make more vigorous efforts to resolve conflicts and preserve peace in the region. The NAM should establish a forum which could provide a setting for consultations to ease tensions or act as channels through which countries not party to a dispute can offer their good offices.

It is true that globalisation is a reality that all countries have to learn to live with. Free market economy and unbridled capitalism rule the day. In my view, although the market economy might make economic growth, they do often make common or human sense, leaving whole sectors of the society devastated and the people in insulating poverty. Therefore I would argue that a semblance of balance is to be restored to the country's social equation.

Conclusion

The central message for NAM is to redirect its focus on economic development in the member-countries and the development should be people-centred. It should direct its energy for better economic performance and for action to spread the benefits of economic growth more widely among people. Genuine development is linked to popular participation, public accountability and respect for human rights. As we approach the new century, the NAM has to realise that unless it performs it risks irrelevance.

It is easy to lapse into pessimism on the past records of the NAM. However, the emerging world setting offers opportunities and the NAM has to face these formidable challenges. Dhaka would be the appropriate venue where political initiative at the highest level will be needed in order to inject the necessary momentum to the NAM.

The writer is former Bangladesh Ambassador to the UN in Geneva.

Life in Dhaka

Poor Counter Service

by A Husnain

THE government has a large number of offices and outlets where normal, routine, day-to-day counter services are provided. The standard of such services have been progressively going down year after year, taking more and more time, for reasons best known to the administration, who are in charge of the monitoring and proper maintenance of such public services.

The civil service is certainly not over-stuffed, and there are very few new types of services for which training and orientation are required. Even then, in all cases, there are planned provision for regular training for the new entrants and reorientation workshops for the existing staff.

The computerisation of an office, for example, brings about a fundamental change in approach; but after the teething period, the efficiency rises rapidly, due to the elimination from the system of several areas of human errors and slow-downs.

The problem with labour-intensive work is the introduction of potential human errors at more points in a system. But the humanised counter services cannot be eliminated completely. The human contact is essential in many situation, which automation or computerisation cannot tackle or solve.

Strangely, change of political regime has apparently no effect on the efficiency of the current counter services. Such work entail low-level problems, hardly needing policy decisions every now and then, as these are repetitive chores, picked up quickly. The senior officers know what is to be done, in what way; therefore the political masters expect that the processing should not call for their intervention every now and then.

Then what is wrong invisibly when there is high systems loss in providing courteous and swift services to the public? Three areas come to mind readily: the motivation in regard to the sense of duty; the institutionalisation of rent-seeking culture, and the lack of constant pressure from the top. The deterrent factor is an internal issue, not visible to the public or the users.

High-level surveillance monitoring usually pervade in the background of good management. It is usually invisible, but its presence is felt by the staff, and vaguely noticed by the visitors. If the presence is not felt, then it should be made to be

felt by sudden campaigns and cleansing operations; like military field exercises during peace time.

What is usually done (more in the private sector) is the open-office concept — the officers are not cooped up inside executive cubicles — each section sitting in class-room style, for visual and aural monitoring, reducing the inter-communication gap. This gap with the visitors to the offices is too much in the developing countries. The basic aim of any manager is to reduce this service gap.

To cite an example, in Kuala Lumpur, Malaysia, the visitors to the government's Immigration Department are seen, at the counter, by an officer, and the members of the staff do not make the first contact with the visitors. Locally, there are two traditional human barriers, first the Peon (MLSS), then the PA or Secretary. Abroad, the secretaries of the executives are refreshingly different in approach and manner.

The efficiency pattern at the executive level, and that at the staff level. One has to do with getting the assigned work done by a group, and the other is doing that work efficiently by each individual in the group. This has nothing to do with training, which comes at the earlier stages. A trained person needs no constant supervision; only his output is weighed and measured, and it should come up to a certain minimum standard. Here, the situation is allowed to drift.

Another psychological aspect has to be respected: the reward and reprimand game; in other words, the more efficient get ahead faster. The average efficiency refers to the office; personal efficiency is directed at individual level. The local public management is rather indifferent to the individual worker. In a competitive world drifting towards global economy, which has seamless borders, and with the private sector surging strongly, the turn-over per hour has to be raised to a very high level.

The killer virus in the public offices is the waste of time needed to get a job done. Ultimately, time is money, in the garment industry, for example, the relevant goal is whether the making of a shirt takes 23 minutes or 17 minutes. Multiply the figure by several million shirts, it is competition. Dhaka has to accelerate its rate of execution of routine jobs at the counter level, to target a growth rate of seven per cent p. a.

Lucky South Africans to Live in Interesting Times

The Truth and Reconciliation, to which South Africans have been asked to bare their souls, has finished its two-year hearings. Its report is now not expected for another year. Fierce debate rages in the country on the worth of the exercise. After five months in South Africa a Gemini News Service correspondent gives his verdict. Alan Martin writes from Johannesburg.

"Whites have a terrible capacity for dishonesty and denial. What else would you expect after almost five decades of institutionalised apartheid?"

THIS was the harsh indictment made recently by a white South African friend in describing to me her fellow compatriots. It has been borne out well enough by the Truth and Reconciliation Commission (TRC).

Deception was a necessary ingredient to support such an evil system and four years after independence the cancer has yet to be contained.

Despite a clearer understanding of the old regime's campaign of murder and dirty tricks, most whites prefer to ignore, snub or reject the TRC findings.

The National Party has yet to apologise for its criminal behaviour, and, if the words of former presidents FW de Klerk and PW Botha are any indication, neither should we expect one.

Having lost political power, too many whites have turned on the commission to vent their frustrations with the transition away from the past.

What is emerging is a direct link between their views on the TRC and their commitment to the transformation of South African society.

During a five-month visit to southern Africa I have travelled to seven of the nine provinces. A favourite conversation starter is to ask people what they think about the TRC.

Their response always tells me whether they are aligned to the "new" or "old" South Africa.

In KwaZulu-Natal a former special forces commando, who stalked members of the African National Congress in exile in Swaziland, called me by my first name and tried to set the record straight about my country of birth.

"Let me tell you something," he said softly, with the sincerity of a seasoned storyteller. "Forget about apartheid. It's over. The sooner this country forgets it, the sooner we'll move on."



F.W. de KLERK President 1989-94
ARCHBISHOP DESMOND TUTU Co-chairman, Truth and Reconciliation Commission
P.W. BOTHA Prime Minister 1978-99

mer anti-apartheid activist, having old suspicions proven accurate is a source of great personal satisfaction.

We now know the bombing of Cosatu House and Khotso House (the respective headquarters of the trade union movement and the South African Council of Churches) were acts of state-sponsored terrorism. Former minister of law and order Adrian Vlok confessed as much to the TRC in July.

Student activist Stanza Bopape did not escape from police custody and join the ANC in exile; he was shot and thrown into the crocodile-infested Komati River.

Lawyer Griffins Mxenge was not stabbed to death in a robbery gone wrong; he was the victim of a government hit squad.

The appalling massacres on commuter trains around Johannesburg in the early 1990s were not the work of "black on black" violence, but of a state-sponsored third force.

The fates of Steve Biko, the Craddock Four, the Pepco Three, an endless list of activists, are now known. Methods of torture have become part of the vernacular.

Pieces of the puzzle continue to fall in place as former perpetrators seek amnesty and confess their crimes. Already a detailed record of abuses — by people of all political persuasions — has been collected so that denial will never be an option in the future.

"All truth is bitter," a Zulu saying goes. But with the TRC forcing South Africans to own up to the past, the task has obviously been too daunting for some.

Instead people, for whom justice and equality were never

a concern, declare the TRC a failure for worsening race relations and opening old wounds. It is a criticism of extreme naivete. Anyone familiar with death will recognise that shock, denial and anger are emotions one experiences before coming around to acceptance.

Why should a country grieving one of this century's worst human rights violations be any different?

Perhaps it might be seen as a variation on an ancient Chinese curse, but South Africans are lucky to live in such interesting times.

In no other country are everyday citizens offered such a generous stake in reshaping a society. People's actions or inactions are a statement of how they are helping to create a new set of values — ones that might lend themselves well to the realisation of deputy president Thabo Mbeki's "African Renaissance".

Truth, reconciliation, transformation. They are words that for some South Africans sound too theoretical to understand or involve themselves in.

THE recent tilt of the developing economy is towards development of merchant banking as the engine of the economic growth. And capital market operation is an integral part of merchant banking. Considering the fact and with a view to achieving the following objectives, government has given permission for merchant banking operation in Bangladesh. The objectives are: (i) Expansion of capital market; (ii) Ensuring economic growth by mobilising resources through IPO and secondary issues and then allocating the same; (iii) Accelerating economic development through entrepreneurship development in the country.

But the present stock market is not ensuring the achievement of these objectives, because it has been controlled by so-called financial godfathers of economy who are assumed to be more powerful than the governmental administrative machinery. So they create artificial market and subsequently buy shares when the market is in a declining trend and sell the same when the market assumes a rising trend in the process. And for the purpose they have created 'kerb market' by their agents. As a result, the small and medium investors are deprived of the real situation of the market which might have benefited them.

Stock market constitutes a team of investors, traders, brokers, issuers and regulatory bodies. In Bangladesh regulatory body means the Security and Exchange Commission (SEC) for primary and secondary issues, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) are governed by their own rules and regulations, along with the SEC Act 1993 and Companies Act 1994. Besides, Bangladesh Bank, Ministry of Finance and Commerce may issue circulars/guidelines from time to time for smooth operation of the market.

The operational side of a stock market is termed as 'bull market' and 'bears market' i.e. the strong and rising market is known as 'bull market' and the weak and declining as 'bears market'. The present condition of the market may be termed as bears-cum-depression market.

Generally there are two sides of investment in the stock market: the bright side and b) the dark alleys. The elements of bright side are: capital appreciation, bonus share, annual dividend, right shares, voting right, loanability, marketability, tax benefit, etc. On the other hand, the dark alleys are uncertainty, changing market prices, no guarantee of profit, problems in dealing with stock brokers, need for constant watch, over-subscription of new issues, assessment of correct timing being difficult, lack of professional guidance, etc. So investors may make the following

Stock Market Needs to be Stirred Up

by Md. Ahsan Ullah

The government should come forward with some additional measures for creating awareness and confidence among the investors over the stock market, in addition to the measures which have been proposed in the budget 1998-99.

analyses before taking decision for buying, selling or holding shares and securities.

(A) Fundamental analysis (value based method): It is a conservative and non-speculative approach for evaluating the equity shares and that consists of three phases: i) economic analysis ii) industrial analysis and iii) company analysis. The perspective of a fundamental analysis is a long-term one, based on determining the intrinsic value of a share; various financial ratios are also used for making decisions under this method.

(i) Economic Analysis: Assessing the general economic conditions, both within the country and abroad i.e. inflation, foreign exchange reserve, public debts, foreign debts, budget deficit, domestic savings and capital output ratio, infrastructure, govt policy, interest rate, taxation policy, balance of trade, employment, political solution, international development, climate, war, etc.

(ii) Industrial Analysis: Reviewing the prevailing conditions within a specific industry and its segments, i.e. its characteristic, past track record, present state and future prospects. Basically the purpose of this analysis is to identify those industries which are likely to grow in future, and thus to invest in equity shares of such companies.

(iii) Company Analysis: The key indicator of company analysis are — Non-financial Aspects and Financial Aspects.

Non-financial Aspects constitute history of the promoters and management of the company, technology, facilities, product range, style of marketing, selling and distribution.

Financial Aspects indicate that the major ratios of the companies are to be considered before taking decision for in-

vestment on equity shares and these are — a) earnings per share (EPS); the higher the EPS the better; (b) price earning ratio (PE); the lower the PE the better; (c) book value per share; the higher the book value per share the better; (d) return on net worth; the higher the return on net worth the better; (e) dividend coverage; the higher the dividend coverage the better; (f) profitability of shares; the higher the ratio the better the profitability; (g) debt-equity ratio; the lower the ratio the better for the company and the investors.

(B) Technical Analysis (market based method): A technical analysis believes that greater importance should be given to the technical aspects of the market such as prices, price changes and trading volume etc. The time perspective of a technical analysis is short-term that follows the chart of share prices and interprets them in the context of various technical features of the market as well as forces of supply of and demand for shares as a whole.

These are the real guidelines for selection of the best for investment. But virtually the people who are concerned and related with stock market do not follow the above guidelines. They invest their money in the market on the basis of speculation and sometimes on the basis of insider trading.

The stock market of Bangladesh was established almost 44 years back originally incorporated on 29th April, 1954 as the East Pakistan Stock Exchange Ltd. In June, 1962 it was renamed as the "Dhaka Stock Exchange Ltd". Its formal trading began in 1956, however suspended in 1971 after independence of the country due to industrial relations, productivity, personnel and also environmental.

As compared to Asian stock markets, the Bangladesh stock market is very small (see Table-1)

Country	Market Capitalisation	Turnover	Turnover Ratio	Price Earning Ratio	Number of Listed Companies	(In Million US\$) Market Capitalisation as % of GDP
Bangladesh	1049	106.6	11.0	10.1	170	4.0
Sri Lanka	2884	700	25.9	17.6	215	25.77
China	43521	97526	235.2	n.a.	291	11.43
Indonesia	47241	11801	29.4	20.2	216	31.05
The Philippines	55519	13949	29.9	30.8	189	95.49
India	127515	27290	24.1	26.9	4413	46.21
Thailand	131497	80188	60.9	21.2	389	104.14
Korea	191778	286056	147.1	34.7	699	55.20
Malaysia	39276	126458	58.7	29.0	478	294.56
Pakistan	12263	3198	26.9	23.3	724	24.03

Source: Emerging Stock Markets Fact Book, 1994, IFC, World Bank.