

## Footdragging by Police

Explosion in the house of a ruling party MP at Chhatak is a matter of 24 days now. Report on the incident by Army explosive experts alleges making of bombs in that house by miscreants, two of whom died in the blast and police have been looking for an absconder. The MP was away at the time of the blast but tried his best to cover up by calling the whole sordid affair an attempt on his life by his enemies. Subsequent enquires by police and investigation by experts proved the MP wrong.

More than three weeks have gone by but nothing has been done by the police to arrest the owner of the house who will have to account for, besides the bombs and weapons found in the house, a trunk full of money amounting to about taka two million.

Exasperated local leaders and people of all shades and political beliefs have joined hands in demanding the arrest, trial and punishment of the MP Muhibur Rahman Manik. Speakers in an 'all-party' rally on Tuesday last voiced their demands and threatened to go on strike on 17 April if action was not taken by the government. Senior leaders of all political parties including Awami League, BNP, JP and Jamaat of the constituency spoke in the rally. We congratulate the local leaders for forging unity on a common ground demanding justice and full play of rule of law on an important issue of public safety and curbing terrorism.

We can hardly command the footdragging by the police in taking the alleged culprits into custody and at the same time demand an explanation from the ministry concerned for this delaying tactic. This Chhatak incident makes the Home Minister's assurance of even handed deal for all citizens irrespective of party affiliations, a mockery.

## Rain Refreshes, but...

On Thursday morning, heavens opened up for the first time this year. Light drizzle accompanied by strong wind came as a welcome relief after a prolonged dry spell. There were more rain at night and throughout Friday. Residents of the capital, scorched in ruthless rays of the sun for days, had a pleasant break. This change in the weather, however, brought in plough than delight for the people in the country's northern districts of Dinajpur and Lalmonirhat.

On Wednesday, nor'wester accompanied by hail-storm left six people dead and over a hundred injured in these two districts. Roofs of more than a thousand houses, educational institutions and mosques were blown off and electric wires snapped, disrupting power supply. When the one-and-a-half-hour storm finally subsided and rain came down, people were in no mood to appreciate the welcome shower after a long dry spell. Some had lost their relatives, while others had to care for the injured. Even worse, crops on a vast tract of land were damaged and dashed were the hopes of many.

Drought has threatened good harvest, but the storm has sounded a bad omen. If it becomes a regular feature in the next few days, it will have a devastating effect on the IRRI-Boro production. Farmers, who have pinned their hopes on the IRRI-Boro production to offset the loss incurred in the last aman season due to the floods, will be hard hit.

This country of ours is prone to natural calamities. People have learned to live with flood, tornado, hurricane. Time and again, they have been undone by the wrath of nature, but, every time they have fought back, and started with renewed vigour. True, we are helpless to the whims of nature; however, there are certain things we have control on such as disaster management. An efficient pre-storm warning mechanism will certainly work a long way towards reducing the number of deaths. Also, after the storms strike, the affected populace should have ready access to emergency relief and medical services. We may not stop the storms, but we can surely minimise its effects, especially on lives. Our efforts should be directed towards that end.

## Doping Menace

Nothing could be more fearsome than the news that slums in Dhaka city are dens of illegal drug dealers and abusers. More so, it sets the alarm bells ringing when slums, in and around Dhaka University campus, are marshalled by morons from outside the campus. A Bangla daily reported that until Thursday last, a demolition order of such a ghetto inside the Zohurul Haque Hall staff quarters area by DU Vice Chancellor was not carried out. This only exposes the hollowness of the administrative wing of the university, adding an extra fillip to its already-battered image.

Meanwhile, there are worthwhile reasons to worry, for a syndicated drug bazaar all over the country is active and profiting from illegal narcotics sale, the casualty of which are our youths. The young people are enticed to use narcotic stuffs and are being addicted to these on a frightening scale. A large number of dopers — both conscious and ignorant victims of this imbecile trade — are taxing on their respective families, which tantamounts to a "social scourge." Moreover, the recent involvement of police (DB office) personnel adds salt to this injury.

On the one hand, initiative to restrain these illegal dealings, and on the other, detecting and rehabilitating the dopey people are far from satisfactory. The task, no matter how mammoth it seems, rests on the Department of Narcotics Control. It should equip itself with an upright crew of law enforcers, while controlling and curbing this menacing commerce which law doesn't permit and opening up more corrective options for those endangered by drug abuse. Rehabilitation endeavours accompanied by attentive doctoring is a must for them.

# Business Environment and Industrial Progress

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THE Cabinet of Ministers recently approved Industrial Policy 1999 (IP-99). An IP has long been overdue since the last one was on board. To that effect, we suppose, IP-99 would usher glimmers of hope in a regime of desperate move for rapid industrialisation. Admittedly, Bangladesh direly needs industrial development but past policies performed poorly. As a result, the share of the manufacturing sector to GDP feebly rose from 9 per cent in 1972/73 to 11 per cent in 1996/97 with few dips in between. Nor the growth left any room for consolation. The industrial sector is faced with dual structure, narrow base and incredible policies.

Against this backdrop, IP-99 envisages that the contribution of the industrial sector to GDP would mount to 25 per cent within the next decade or so and would promise a livelihood for one-fifth of the country's workforce. According to the Minister for Commerce and Industries Mr Tofael Ahmed, "the policy has been framed in light of the globalisation and trade liberalisation process and we have been pursuing a policy of openness to attract foreign investment." The new policy, reportedly, identified 16 sectors as thrust areas and, more importantly, the creation of a National Industries Development Council (NIDC) to be headed by the Prime Minister.

I had no chance of going through the policy document and hence would postpone any threadbare discussion on policy per se. Instead, I would like to

comment on the nexus between an IP and the business environment under which preached policies are to be practised. As I mentioned earlier, past policies performed poorly not so much because of the fact that they lacked "good wishes" but mostly because of the fact that they had to operate in a kind of business environment not conducive to growth and development of industries. Again, the premises upon which promises were made hardly conformed to the realities of the time. To substantiate the observations, allow me to draw upon few cases.

There was a time when policy-makers used to assume that, for rapid industrial growth, only availability of bank credit at easy terms is needed. Nationalised banks and specialised financial institutions began to disburse credit mostly on political considerations. In the absence of legal sanctions and proper legal institutions, culture of loan defaults cropped up, sickness gripped industries (if not industrialists) and financial institutions began to go broke. Only of late the situation is reported to have improved to an extent. Second, a scheme of de-nationalisation and de-regulation — without paying due recognition to the realities on the ground — went underway and industrial units were disposed of "throw-away" prices. Third, economic considerations were superseded by politi-

cal considerations in the sphere of policies pertaining to industrial development in Bangladesh. And finally, government regulatory mechanisms militated against industrial development.

The Business Environment that I have referred to above comprised elements such as: policy credibility and investors' confidence, infrastructural bottleneck, government regulations, business support services and financial services. Any

even some years back. We were happy to note that only 7-10 per cent considered them as blockades. But sordidly, 85 per cent reported that corruption of customs officials stood as a big problem for them. We then asked was the customs services improving? Only 15 per cent agreed that it improved in some respects in terms of harmonisation of tariffs and what they termed technological improvements. Thus, while dismantling of barriers

days/month power failure with one hour per day create serious problem. About policy credibility and confidence, 40 per cent believed that the on-going reforms would continue (mostly because of the pressure from the donors) and about one-third saw no possibility of continuation in the face of stiff resistance from inside. About financial services, the allegations are not new: corruption among bank officials, political highhandedness and high interest rate. Some of them, of course, hailed the recent decision of crackdown on loan defaulters through legal means and the establishment of loan courts.

The above mentioned few elements are just the tip of the iceberg. I have presented them to indicate that a good business environment is a must for an IP to see the significant success. Historically, the business environment of Bangladesh has been crippled by way of state sponsored industrial development, regulatory frameworks and, most importantly, by the presence of a unfriendly legal framework and institutions that paved wide ways for rent-seeking mandarins. Nowadays, rent-seeking by government's regulatory mechanism has waned to an extent due to deregulation and liberalisation but crimes and toll collections have seemingly substituted the earlier mechanism. Added to

this is the serious costs rise due to power cuts, corruption of customs and toll collections. In fact, these are few of the problems that tend to make Bangladeshi entrepreneurs uncompetitive and business unprofitable.

The future of the IP-99 thus rests mostly on the type of business environment that Bangladesh might provide for. The policy document is just paper of intents while the materialisation of those intents would hinge very much on a "political will" including commitments from different ministries. If the present government can put the business environment on an even keel there is no reason why the objectives of the IP-99 would not see the light of success. Industrial development is very much economic but its success depends most on non-economic factors.

Kotaro Suzumura, a famous economist, commented: "A mountain hut is useful for mountaineers as it provides them with shelter from storms. However, the knowledge that there is a dependable mountain hut may precipitate morereckless mountaineering. Likewise, industrial policy may induce firms to invest more than what may be rationalised on the basis of fundamental market conditions because firms may be led to expect that industrial policy will come to the rescue if their reckless competitive behaviour brings about excess capacity..." The past IPs were like mountain huts for investors. We hope that IP-99 would not be like that.

## Beneath the Surface

by Abdul Bayes

talk on business environment should take these elements into serious consideration and needless to mention here that unless those are faced with right earnest, mere policy formulations might not lead to the desired goal.

In a recent survey on 150 enterprises grouped into large, medium and small (as well as export-oriented, import-competing, import-intensive, non-tradable), we wanted to know whether firms faced problem with, say, opening of L/C, obtaining foreign exchange, obtaining duty draw back etc. In fact these were biting problems

such as import licence/LC opening, foreign exchange allocation and others have been welcome move, the corruption of customs continue to vitiate the business environment and the incentive to the industrialists. Three-fourths of the respondents of that sample survey informed us that the cost of doing business in Bangladesh has been increasing due to theft, crime and toll collections. And quite expectedly, majority (more than four-fifths) complained that supply of electricity is the most important impediment faced in doing business. On average, 21

## Unintended Consequences of NATO's Air Strikes

by Barrister Harun ur Rashid

*Now that NATO has got involved in war with Yugoslavia to protect the Kosovars, it must complete the task, even putting its troops on the ground. The credibility of NATO is at stake.*

NATO's air strikes against Yugoslavia have resulted in many unintended consequences.

First, the mass exodus of Kosovars of biblical proportion began to move to the neighbouring countries, such as Albania, Macedonia, and Montenegro. Macedonia, at the time of the writing of this paper, refused to take any more refugees from Kosovo as it claimed that its logistics was incapable to handle hundred of thousands of refugees from Kosovo. The NATO has developed a plan where thousands of refugees would be moved temporarily to the European countries, the US and Turkey.

Secondly, the mass movement of refugees into the neighbouring countries could lead to political destabilisation in the volatile ethnic mix of the Balkan countries. For example, Macedonia with two million people has about 30 per cent Albanian nationals in the territory and the intake of refugees might have impact on its demographic character and politics. Once Macedonia is destabilised by ethnic tensions, Bulgaria, Greece and Turkey might be involved in carving out lands in Macedonia.

Thirdly, history tells us that once the refugees are moved to distant countries, it would be very difficult for most of the refugees to return to Kosovo.

Fourthly, as each day passes with NATO's bombing, Russia is seen being humiliated before their traditional ally, Yugoslavia and Russia's response could be unpredictable, leading to a global crisis.

Finally, NATO is now confronted with two issues. While it is engaged in the military assault on Yugoslavia, it is being involved to assist the refugees. One must not forget that NATO is not a relief agency and its deployment of troops to lift the refugees will be a diversion from its primary role.

People all over the world are asking one question: Why did NATO fail to appreciate what was coming?

When the NATO began its assault on Yugoslavia on 24th March to compel President Milosevic to accept the peace plan, many believed that NATO leaders should have realised that President Milosevic would most likely try to de-

stabilise Kosovo in a systematic and planned way to make the peace plan for Kosovo irrelevant and worthless. If Kosovo does not have any more Albanians, then President Milosevic could replace them with Serbs and it seems to fall in a grand design of his aspirations of establishing a greater Serbia within Yugoslavia.

There is a strong view that NATO should have struck more aggressively from the outset against power centres in Belgrade and troops in Kosovo if its military action was to stop Milosevic's 40,000 forces in Kosovo who were responsible for "ethnic cleansing." It appears that NATO authorities acknowledged having underestimated Milosevic's willingness to withstand attack and crack down on Kosovo population of ethnic Albanians.

NATO is using more than 400 planes but in the Gulf War the coalition employed 2700 aircraft against Iraq. It is reported that there have been an average of about 50 sorties a day during the first week over Yugoslavia compared with about 1000 in the Gulf War. NATO appeared to have taken many target options off the table that ended up with having a limited air campaign that did not cause enough damage to the Serbian forces.

NATO could have used a lot more fire power to achieve both the tactical objective of beating back Serb forces in Kosovo and the strategic objective of hitting Belgrade targets of high value to Mr. Milosevic. Here in Kosovo the Serb forces were mounting assaults on the Kosovo Albanians in the pretext of treating them as "terrorists". There had been earlier instances of "ethnic cleansing" in Bosnia and one could witness that it was unfolding in Kosovo. With the NATO air strikes, it was reasonable to assume for NATO that the Serb would accelerate their forces fiercely to evict the Albanians from Kosovo. The inability of NATO to understand the strategy of Milosevic appears to be a monumental error and misjudgment of the situation.

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### NATO Blamed for Milosevic's Power

A view prevails that the NATO has only to blame itself for allowing a dictator like President Milosevic to acquire such a hold over the Serbian popular conscience. Today Mr. Milosevic seems to have Serbia in the palm of his hands. All opposition has been silenced. Scant effort has been made to back the moderates committed to non-violence and multicultural living. NATO seemed to forget that Yugoslavia could not have remained at peace for 35 years under Marshal Tito if there had not been millions of people ready to put aside a parochial ethnic identity in favour of a cosmopolitan one. NATO did not cultivate moderate leaders in Yugoslavia. In devising their plan to split Bosnia into ethnic units, there is a view that Lord Owen of Britain and Mr. Cyrus Vance of the US froze out those who continued to work for a multicultural existence. Let me explain it further in the following paragraphs.

President Milosevic is an ultra-nationalist Serb. He became President of Serbia and annulled the autonomous status of Kosovo in 1989 and integrated it into Serbia by force.

Kosovo is inhabited by 2 million people of which 90 per cent are Albanian Muslims.

He closed separate schools in Kosovo for Albanian language and attempted to assimilate the Kosovars with the Serbs.

The integration of Kosovo was the most controversial decision and NATO remained silent.

His dream of greater Serbia by grabbing Serb-dominated lands from Bosnia and Croatia began in earnest from early 90s. Encouraged by the inaction of NATO, he attempted through his protege Dr. Radovan Karadzic to integrate the lands from Bosnia and Croatia through "ethnic cleansing" and the Dayton Agreement brokered by USA on Bosnia in 1995 stabilised the situation in Bosnia.

**Kosovo was Left Out in Dayton Agreement**

During the Dayton meeting,

it was appropriate that a comprehensive solution with respect to ethnic conflicts in Yugoslavia including Kosovo should have been addressed by the West. Kosovo's moderate leader Ibrahim Rugova was not invited to the peace talks in Dayton. President Milosevic during that time was at his weakest following the defeat of his proxies in Bosnia and Croatia. He might have accepted a deal restoring autonomy to Kosovo. Regrettably that was not done and Kosovo issue was left unattended.

After Dayton, the forces of multi-ethnicity were left in the lurch. Ethnic cleansing was permitted in Croatian, Muslim and Serbian parts of Bosnia Federation. Kosovo has been in turmoil because Kosovo Albanians demanded the restoration of its autonomy. When the Serbian authority did not listen to their legitimate demands, they became restive and the younger generation formed KLA to fight with arms for independence from the Serbian regime. A few observers believe that Kosovo Liberation Army (KLA) was formed because of deep frustration among Kosovo Albanians that President Milosevic was allowed to wreck the autonomy of Kosovo and no body raised a finger at him.

### NATO's Silence over Broken Promises of Milosevic

In defiance of the Dayton Agreement, President Milosevic did not support the arrest of two important war criminals in Bosnia, namely Dr. Radovan Karadzic and General Ratko Mladic who were accused of genocidal crimes in Bosnia and wanted by the International War Crimes Tribunal at the Hague established in 1993. President Milosevic became bolder and bolder as he realised that the Dayton Agreement could not be implemented without his support and co-operation. He was treated by NATO as a key leader in the Balkans and a man NATO could do business with. He started "ethnic cleansing" in Kosovo from February 1998. As

President Milosevic's record of broken promises did not dampen NATO to believe him. Observers believe that NATO had been either duped or was naive or not determined to show its military might to the Yugoslav dictatorial regime. A few political analysts maintain that NATO's dealing with Milosevic is comparable to the events leading to the Munich Agreement (1938) or appeasement with Hitler.

President Milosevic is seen to be a major factor in the disintegration of the old Federal structure of Yugoslavia. He fought with Croatia and then with Bosnia and both became separated from Yugoslavia. Now he is depopulating the Albanians in Kosovo so that it remains with Serbia. His critics say that his primary moti-

a result, thousands of Kosovo Albanians left their homes to the mountains for safety. The Kosovo Albanians were left with themselves.

When Albania, the Europe's poorest country, was raising alarms at the situation there a few rhetorical statements from NATO leaders that they would not allow and watch Kosovo becoming another "Bosnia" were heard. That was in May-June last year. Later in October of that year when the situation in Kosovo became worse and posed to widen into a regional conflict, the US special envoy Richard Holbrooke extricated an agreement from President Milosevic that he would withdraw heavy armory from Kosovo and permit 2000 civilian monitors from OSCE (Organisation of Security and Co-operation in Europe) to verify the withdrawal process. Further he would launch a political process with Kosovo Albanians to resolve the political status of the territory. The very fact that Milosevic avoided NATO's troops to monitor the implementation of the Agreement in Kosovo was an ominous signal for NATO.

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Now that NATO has got involved in war with Yugoslavia to protect the Kosovars, it must complete the task, even putting its troops on the ground. The credibility of NATO is at stake. It was established 50 years ago (4th April 1949) as a military counterweight to Soviet military might and to keep peace in post-Second World War Europe. Its effectiveness was proved during the Berlin blockade in the 50s and in recent times it was able to secure peace, though shaky, in Bosnia. It is a testing time for NATO. It cannot afford to fail this time.

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## Art Buchwald's COLUMN

### Greatest Inventions

THE worst thing about the millennium is that we are now being bombarded with lists. We are offered the best news stories of the last 100 years, the most outstanding athletes etc. etc.

I have a list. Mine is, "The Greatest Inventions of the Century" — the ones that changed our lives so we'll never be the same. The first is the mute button on the television remote