

## Economic Water-shed

ON the economic front we are having to contend with three inauspicious pieces of news at the present moment. Let's begin with the latest one. World Bank Country Director Frederick Temple has strongly hinted at an almost 50 per cent reduction in the Bank's lending plan, 1999-2000 for Bangladesh from last year's level excluding flood-related assistance. Furthermore, only one-third of the total lending could be real investment under the proposed plan. His disclosures came at a briefing session with our planning ministry on Tuesday, held against the backdrop of the Bank's Board discussion on the Country Assistance Strategy (CAS) for Bangladesh. The resident chief has made it clear that it had to do with the Bank's latest policy based on performance (rating). The saving grace, however, is the scope for further 'discussion' before the size of the assistance plan is finalised.

The second predicament we face comes in the shape of an irony: when the South-east Asian economies were in turmoil they devalued their currencies sharply with the result that the prices of their exportables enjoyed an edge over our export prices. Ironically, when they are on a recovery course now, their cost of production has gone down, exports are picking up and they are veering away from relocating their 'sun-set' industries or making any new investment elsewhere. Even foreign investors may feel drawn to these countries now. Thirdly, as Finance Minister Shah AMS Kibria has rightly pointed out, "it is not possible to avert the impact of the global slump." The growth rate of international trade having dropped by 2-3 per cent last year, our export has fallen and it affected the industrial production .... "I think the growth of investment has also fallen", added Kibria.

The WB's progress report, '99, however, says, "Macro-economic management remained reasonable in the face of severe flood-related exogenous shock." Temple has also termed the performance in the social sector as a 'high-case' one, to use the WB's parlance.

The main thrust of the WB's criticism is on the political and law and order situations reducing absorption capacity and the 'slow-down' of the reform process in the financial and human development sectors. While the public sector is in a dire loss-making strait private sector growth is badly hampered by shortage of power and bank financing. To respond to this situation the Finance Minister in a meeting with the banking sector has announced the lowering of interest rate and a liberal industrial lending policy for the private sector. This is a welcome change of credit policy but will be of little avail unless it is followed by a radical improvement in the power supply position and unimpeded functioning of the other aspects of infrastructure.

## Terrorising the Town

**T**ERRORISTS put to sword the citizens of Barisal following the killing of a 'top terror' of the town named Masum, who was also a leader of Jubo League, the youth wing of the ruling party. Within 48 hours of the murder, armed hooligans vandalised a large area of the town on last Monday night and then came back on Tuesday night also opening small arms fire, setting houses ablaze and looting private houses. A number of innocent people were injured. The district wing of the BCL organised a protest meeting at local Aswini Kumar town hall and, according to newspaper reports, a gang of motorbike riders drove into Amanatganj area blasting crackers and shooting guns. They stormed the residence of a local BNP leader for the second night in succession, looted the house and torched it. The vandals also damaged other properties and looted whatever they could lay their hands on, all these taking place in the presence of a police force posted there to stop the carnage.

The entire town is in the grip of panic and shock. We have observed the hype created in the name of combing operation, mainly in the southern districts, but have the authorities really been able to bring the real culprits to book? The answer cannot be yes. The law and order situation across the country has plummeted in recent times. Normally such a situation might have been created by those who are opposed to the government but in actual fact lawlessness is being the handiwork of people who are identified with the ruling party. Why should the law enforcing agencies give indulgence to these characters is anybody's guess but this has to stop and they must act responsibly to maintain law and order going by government's commitments in this behalf. We demand the culprits be brought to book without fail and peace restored to the troubled area at once boosting the confidence of the peace-loving citizens.

## Woman Repression

**W**HILE observing the Women Repression Resistance Day on Tuesday, some women's groups demanded that a parliamentary standing committee be formed on repression of women and protection of their rights. A full-fledged law on woman and child repression being in the offing it could be a good idea to have a committee like that. They recalled Yasmeen of Dinajpur, who was first violated by some policemen, murdered on August 24, 1995. The incidence of brutality against women has been on a steep rise this year leading us to believe that the administration is still unsure about taking some drastic measures towards ensuring a gender-sensitive society.

We appreciate the activists' protests and demands, but also like to remind them that merely one day's protestations are not enough. We have miles to go on this front. Organisations that are fighting for the rights of women have to take a united stance on the question. They can rest assured that the civil society will stand by them.

We urge the government to enforce the existing laws unerringly. We also urge the government to expedite the judicial procedures against those who violated Sima Choudhury, Tania and Moushumi so that others of their ilk are deterred and our sisters feel safe.

# Tensions in Far East: Impact on Nuclear Proliferation

by Harun ur Rashid

*The expectation that the cessation of super-power rivalry and nuclear confrontation will set in a whole range of progressive changes to undo the social, economic and political distortions in the world has evaporated. It will appear that we head into a century and a new millennium with threats to international peace and security. We are far from winning our cherished goal — global peace*

**A**drama with a great significance is unfolding in the Far East. The recent unexpected behaviour of Taiwan and North Korea has generated mounting tensions in relations among the US, China, South Korea and Japan. Although after the end of cold war Russia is perceived no more a threat to the countries of the Far East and the US, forces of destabilisation seem to have been unleashed.

In order to gauge the fragile nature of the security in the Far East it is necessary to assess the scenarios spreading there and examine the implications on the US, South Korea and Japan and their responses thereto.

Not surprisingly, political wrangles are endemic in the region. At present a tangled web of situation is developing which may lead to the collapse of the non-nuclear proliferation regime.

*Why do I hold this view?* The following analysis of the rhythms of change in the area may provide the answer.

### China-Taiwan Tussle

President Lee of Taiwan made a statement on July 9 that its relations with China would be on a 'state-to-state' basis which ignited the current tensions between China and Taiwan.

China perceived the statement as a step toward a formal declaration of independence and was fully prepared to attack, if necessary, on the nationalist island if it would move away from Chinese sovereignty.

"One China policy" remains the core of China's relations with other countries including Bangladesh. China regards Taiwan as a renegade province of China.

On the other hand, most of the Taiwanese have no desire to unify with the China. They argue that Taiwan was controlled by mainland China till 1895 and Communist China has not exercised sovereignty over Taiwan for one single day since its establishment in 1949. They also argue that the fact that Taiwan has substantial ethnic populations does not mean that they have no

right to exist as nationals of an independent state.

However, Taiwanese are willing to reunite with the mainland provided China becomes a democratic country with multi-party system. Taiwanese claim that they have established a free, open, democratic and highly successful and wealthy nation. The bottomline appears to be that so long China has a communist system, Taiwan is reluctant to unify with the mainland.

Taiwan is aware that under its bilateral treaty with the US, it is entitled to protection by the US against any attack by China. If China attacks Taiwan, the US is likely to be involved. Here lies the danger.

### North Korea's Threat to Launch a Missile

North Korea's intention to launch a long-range missile has destabilised the security profile in the region. Tension has been mounting because the long-range missile could hit the US mainland.

North Korea claims that it has developed missiles because the US has deployed nuclear weapons and troops in South Korea. North Korea fired a medium range missile on August 31 last year, which flew over parts of Japan and landed in the US mainland.

This action of North Korea had unnerved Japan although North Korea claimed that the missile was purely for defensive use and it would not fire a missile unless any country (the US or South Korea) would commit a harmful act against North Korea.

South Korea is equally concerned with North Korea's intentions. Recently South Korea sent its Minister to China to dissuade North Korea not to fire the long-range missile. China's relations with North

Korea are not as friendly as before after China introduced free-market economy in the country and recognised South Korea in August, 1992. However China remains North Korea's ally and fought together in the Korean war in the 50s.

Furthermore, North Korea is believed to have the capacity to produce nuclear weapons and the 1994 agreement between the US and North Korea aimed at resolving the nuclear proliferation threat from North Korea. The US, Japan and South Korea were willing to consider North Korea's security interests and the US promised to provide nuclear reactors to North Korea in exchange for abandoning the programme on nuclear weapons. If the agreement is not complied with by the US, North Korea might resume its nuclear programme. It is believed that North Korea is not happy with the US for its compliance of the agreement.

This agreement of 1994 implies that both South and North Koreas are now committed to not developing nuclear weapons. Some strategic analysts maintain that this understanding should be codified in an international treaty creating a nuclear free zone in the Far East which will include Japan and Taiwan. The value of the treaty could be enhanced by including a pledge by Russia, China and the US not to use nuclear weapons first against each other in the region.

Some analysts believe that North Korea's intention to launch the long-range missile is only a bargaining ploy to receive more monetary aid as the country has been going through very hard economic times. Harvests have failed, disease and malnutrition prevail among the children and the country needs desperately food

aid from other countries. At the time of writing there are indications that North Korea may soften its stand and negotiate the missile issue.

### Implications

Widespread revulsion against nuclear weapons in Japan in response to the destruction of Hiroshima and Nagasaki has led the Japanese government to pursue its policy that it will not manufacture or possess nuclear weapons and will adhere to Non Nuclear Proliferation Treaty (NNPT) and Comprehensive Test Ban Treaty (CTBT).

However, in the event of North Korea developing nuclear weapons and its long-range missile system, Japan may not remain a silent spectator. There is a view that although Japan is under the US nuclear umbrella, Japan may not be satisfied with the situation. It is argued that it is not inconceivable Japan may pursue its nuclear programme for security reasons if North Korea is determined to manufacture nuclear weapons.

In the event of Japan acquiring nuclear weapons, its impact will be reverberated through South-east Asia and it will be difficult to keep South-east Asia nuclear free zone. It would signal and accelerate the collapse of NNPT.

The debate within the US administration about how to address the problem of nuclear proliferation remains unresolved 30 years after the NNPT. The US continues to wrestle with what nuclear policy and nuclear force structure make sense in light of the collapse of communism and end of cold war.

It is acknowledged that deterrence is the principal purpose for which the US retains nuclear weapons. In recent

days there has been much talk in the US about the danger of a deliberate nuclear strike by a 'rogue' nation. It appears that the debate centres on the desirability of deploying a missile defence system to seek to shoot down missiles after they have already been fired at the US, rather than on the means to deter the development of such capabilities or their use. The US and Japan have agreed to undertake joint research to develop a shield against nuclear attack, a mini version of 'star wars' of Reagan era, much to the displeasure of Russia as it purports to breach 1972 ABM Treaty.

After India and Pakistan detonated nuclear devices last year, there is no stigma attached to a country which might add to the list of nuclear powers in Asia and Africa. This might end the worldwide non-proliferation regime and the world would face a nuclear threat. We are back to square one from where we started.

### Conclusion

Overall it appears to be a cynical picture. Shifting of alliances of convenience predominate over parties of principle. It might be more accurate to think of the period in terms of destabilisation and the US come to an understanding on the critical issues facing them. The realignment of forces would reshape the pattern of security in the Far East and it will have diverse ramifications in all parts of the world.

There does not appear awareness of a dawn to come soon. The expectation that the cessation of super-power rivalry and nuclear confrontation will set in a whole range of progressive changes to undo the social, economic and political distortions in the world has evaporated. It will appear that we head into a century and a new millennium with threats to international peace and security. We are far from winning our cherished goal — global peace sine qua non for progress and development.

*The writer, a Barrister, is former Bangladesh Ambassador to the United Nations, Geneva*

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The commission could not pay due attention on this important aspect of administration due to paucity of time. Though for a brief period, only during the regime of Justice Satar, we find some tangible attempt to bring discipline into the country (dismissal of several thousand bank employees was made).

The rapid deterioration of discipline in Bangladesh administration started during the Ershad regime. It was due to Ershad as to why more than 400 corrupt senior officers were spared from dismissal/compulsory retirement from service in 1983. In later years these officers were instrumental in Ershad's attaining power and prosperity. Some of these officers played pivotal role in nullifying the attempt of the caretaker government to prove the charges of corruption against him. Whatever discipline was left in the labour front was destroyed by Ershad through his attitude to compromise at any cost to gain

cheap popularity. One of the main reasons for making Bangladesh manufactured products less competitive is labour indiscipline resulting in poor productivity.

As BNP came to power in 1991 they started the regime shakily and with low level of confidence. They could hardly think about improving the level of efficiency of the administration and maintained the level of the Ershad regime. Though they faced indiscipline behaviour in the Secretariat they ignored it and got the result of overlooking such important aspect of administration in 1996.

Apparently peaceful or normal atmosphere had returned to Secretariat. It is unfortunate that the BNP is encouraging the government employees not to cooperate with the present government. This is dangerous because such encouragement leads to indiscipline. They should not forget that if they come to power they may not be very happy with indisciplined employees. It may not be preposterous to assume that the recent pandemonium has some link with the

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## Pandemonium in Bangladesh Secretariat

by A B M S Zahur

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