

# Values, Democracy and Development

by Muslehuddin Ahmad

*The values which determine the character of individuals, the shape of the society and indeed of the nation greatly influence the democratic process on which depends the market economy and the development in general. Everything is at stake because of the serious erosion of values.*

*The World Bank and the IMF holding the "purse" and having "a fiduciary and moral responsibility to make sure that the funds are well spent" as rightly emphasized by World Bank Senior Vice President Joseph Stiglitz, may make immediate moves with a view to reversing the present devastating trend.*

In the article "The Value of Democracy" published in the first issue of Development Outreach, a publication of the World Bank Institute, Nobel Laureate Amartya Sen argued that "the pre-eminent development of the period [20th century] is the rise of democracy. Indeed, in the distant future when people look back at the happening in this century, they would find it difficult, I believe, not to accept the pre-eminence of the emergence of democracy as the most striking development of this period." Professor Sen is right; democracy did flourish in different parts of the globe. But I believe another pre-eminent development during this century is the intolerable erosion of human values that have not only harmed democracy and civil society through ballot rigging, vote buying, bribing etc but also adversely affected the economic development world-wide.

Prof. Sen also argued that "Public debates and discussions can play a major role in the formation of values." If I have understood correctly, this suggests formation of values through correction of the faulty system and factors that determine the values at a given time. Though values do not remain absolutely constant and may undergo certain changes with the passage of time and change of civilization, one tends to believe that the "values" by definition connote conservatism and do not seem to be too susceptible to drastic changes with the change of attitude towards life and also change of views under open democratic system.

There is no debate over the fact that human beings are the best creation of God as they are endowed with certain qualities that God Himself loves. My understanding is that human values do emerge from those endowed qualities which stand to be eternal and hence such fundamental values should not suffer any change with the change of attitude towards life and also change of views under open democratic system.

**Heaviest Onslaught on Moral Values:** Moral values appeared to have suffered the heaviest onslaught during this century. The reckless social behaviour and indeed immoral acts of many are tearing the families apart and creating shamelessness in the societies. The most precious thing for any human being is the chastity that does not change with the change of time and unfortunately chastity has very little meaning for many in societies today. Drugs and alcoholism are also having severe effects on the families and the societies.

**Human Values and Economic Disparities:** The necessity to respond to the needs of one's kins, neighbours, and fellow citizens and indeed of the suffering humanity in general is integrally linked to human values that should transcend through centuries. Still 20th century experienced the glaring example of vast growing gap between the rich and the poor. Individuals apart, many states continued to amass wealth but several of them have failed to respond to the already recommended aid target of tiny 0.7 per cent of their GNPs. In order to make the first step towards reducing the ever growing economic disparities between states, all developed countries must make the firm commitment to meet the recommended level without any further delay. This should be taken as the moral responsibility of these states for the sake of world peace and security.

So far as the individual developing countries are concerned, their leaders "must reaffirm commitments to carry out their promises for good governance, equality and growth" as rightly put by the World Bank President.

**Need for a Massive Outreach Programme by WB for Poverty Reduction:** In his latest address to Board of Governors the President of the World Bank James Wolfensohn said, "We meet today on the threshold of a new millennium. ... We begin to judge our efforts not by the prosperity of the few but by the needs of many? Will we be prepared to hold ourselves accountable, to make the effort necessary to bring about change?"

The questions raised by the World Bank President carry enormous significance for the Bank as well as for the world economy. He stressed on the "change" which is the need of the hour. The present trend of the "prosperity of the few" ignoring the "needs of many" and virtually at the cost of many is indeed polarizing the world both economically and politically. The ultimate result is likely to be disastrous in terms of world peace and security unless all countries together make moves to bring about the "change" in this sort of apartheid economic system.

Several of the developed countries have shown commendable interest in aiding the developing countries. But firm commitment and concerted action by all are yet to materialize. Undoubtedly, to bring about necessary change, some new approach in the development strategy needs to be undertaken

by the World Bank. Traditional method of commitment and disbursement of funds to the governments has not changed and is not likely to change the face of the world economy. Disparities will continue to grow. Let the dynamic President of the World Bank take the lead in giving "new hopes" to those drowned in the sea of economic hopelessness. He has already recognized them as "assets". He said, "These people are assets not objects of charity. They can build their future if given opportunity and hope." His message is loud and clear and undoubtedly he means business. Joining his loudest voice with the weakest one of Bashirabibi from South Asia (apparently she is from Bangladesh) the World Bank President called on all — "We must look forward, we must commit ourselves to bring about the day when poor of the world, the aged, the street children, the disabled, the rural workers, the slum dwellers, will all be able to cry out 'Today I fear no-one. Today I fear no-one.' Let all others join him to bring about the change that is absolutely needed now. Indeed, here lies the answer. Such a change will lead the world towards equity, justice, democracy and development."

It is, however, important to stress that "hope" in words would not create the real "opportunity" for the poor. They need hard fund support — Micro Credit — that will help them to build small economic enterprises — something that will bring "rice" home for cooking, the children will no longer "fall asleep from hunger" — something that will make them sure about their "tomorrow" — something that will make them cry out — "Today I fear no one" — very forceful conclusion of President Wolfensohn's address clearly signifying the future with development and democracy. The world will anxiously look forward to fruitful implementation of his noble ideas.

While the World Bank President may start working on his strategy which will obviously take its time, he may consider taking the first step by introducing a massive "Outreach Programme" that would extend credits to only small and medium entrepreneurs through some new mechanism. While the Bank may continue to work through the governments, it may, under this Programme, strengthen its Missions in various developing countries by adding a "Poverty Reduction Wing" which may directly work in partnership with various organizations including private ones engaged in poverty reduction activities. The programme outside the governments may be monitored by the local Advisory Committees that the Bank may appoint if necessary. In consultation with the respective governments. The past experience shows that strong monitoring will be needed for the sake of transparency and accountability. If the size of the programme is large enough, this will, over a period, strengthen the economic base that may lead to "poverty reduction and sustainable growth". This will also mean broader participation in the development process, which will ensure social justice. Unless the base is strong economic growth cannot be sustained. A hole in the bottom, may continue to empty out any economic gains.

Tons of money injected into macro enterprises on the philosophy of delivery from the top by way of creating jobs does not seem to have made any major dent in many developing economies around the world. Labour continues to remain labour through generations with few turning into entrepreneurs. The rich continue to become richer and the poor, poorer. This is against all values and indeed affront to social justice and undoubtedly against the democratic ideals. It's time to introduce some new approaches to the market economy. After all, the small entrepreneurs form a big sector of the market but they are ignored, as they cannot compete in the market with the macro enterprises because of the absence of

the collateral and lack of political support.

**Ability to Work is Poor Man's Collateral:** Indeed, the ability to work and manage could be taken as collateral for advancing credits to these people. They should be trusted because they will not buy Mercedes 500 with borrowed money nor will they transfer funds to foreign banks and then get declared as bank defaulters. Many of these defaulters take money with the firm intention of not returning the same. But these small borrowers still stick to their values and feel duty bound to repay as otherwise, they rightly think, they will be accountable not only to the lender but also in the hereafter. Therefore, the World Bank's poverty reduction program will undoubtedly be successful in terms of loan recovery (Gramscian Bank and other NGOs' recovery rate ranges from 90 to 98% despite high interest rate charged) and most importantly in bringing about changes in the economic base of a country.

**Democracy and Market Economy in Global Context:** Democracy and market economy — "two wheels of a cart" as put by Korean President Kim Dae-jung — should not be tied down by only individual economies but be seen in the context of world economy. For example, these two wheels did not move together as democratic governments, because of narrow domestic political reasons, acted against the principles of market economy and put trade restrictions on the garment exports of the poor and instead of the rich countries. WTO can probably give more examples and evidence.

It is easy to talk about the

lack or even absence of democracy in a country or a society but democracy in the world institution is hardly discernible. A walk through the UN system will easily reveal the absence of democracy in the UN Security Council. A country having veto power — something totally anti-democratic — still bulldozes the views of the rest of the world even 50 years after the World War II. If the Security Council, by necessity as a Watchdog

Body, has to be more powerful than the parent body — the UN General Assembly — then the answer lies in expanding UNSC to 1/3rd or at least 1/4th size of the parent body with members rotating alphabetically, however, permanent members remaining permanent but without veto power. Absence of veto in the UNSC will ensure justice internationally.

**Does Democracy Lead to Good Governance?** The World Bank President well emphasized the consensus of the Seoul Conference on the "Integral role Good Governance plays in the development process". But is democracy the pre-requisite for a "Good Governance"? Even in a democracy only one or some govern and often they govern as dictators ignoring practically everything presented by the opposition and thus make a mockery in the name of democracy in the name of majority rule. In some countries democracy led to unstable governance resulting in chaotic economic situations. Some would say these are exceptions but these exceptions are becoming the rule day by day.

"South Asia is said to be in crisis in governance" and with more than five decades of democracy, India has ranked 42nd and with some democracy

and more military rule Pakistan is at 52nd and with "nearly decade old democracy" Bangladesh at 54th place. This was revealed in a joint report on countries' governance by Mahbub-ul-Haq Human Development Centre and UNDP.

The crisis on governance would be less evident if democracy is practiced as it should be. There must be political will as well as the strong commitment to govern democratically and that must be with tolerance to opposition views, respect to the views of the civil societies, total transparency, accountability etc. This would again depend on the values the political leaders attach to their governance work.

**Corruption Stands against All Values:** Corruption stands totally against all values and is rampant in many democratic societies. Corruption destroys normal business ethics, results in failure of the banking system, misdirects investments in the stock market, derails the growth of the economy and indeed greatly hinders the development process. The fall of Soviet Union led to the establishment of some form of democracy in Russia. But the Russian people are paying the price for the half cooked democracy. "Billions of dollar, much of it reportedly given by the IMF and the World Bank were plundered by the corrupt businessmen and officials in collaboration with a bank in New York, a city situated in a country where highest form of democracy prevails. President Bill Clinton said that corruption could 'eat the heart out of Russian society.' He is right but one wonders why he did not say anything about the bank concerned in his own city, which apparently did not care about the business ethics let alone values."

**Need for International Discipline Based on Values:** In my opinion, the values which determine the character of individuals, the shape of the society and indeed of the nation greatly influence the democratic process on which depends the market economy and the development in general. Everything is at stake because of the serious erosion of values.

Prof. Sen used an interesting term "disciplinary states" to identify some states (according to Prof. Sen — pre-democratic South Korea, Singapore, post-reform China) while talking about "the Lee hypothesis", the point of view of Lee Kuan Yew, former President of Singapore on comparative economic growth. Here also one may suggest application and, if necessary, imposition of some form of international discipline based on well-recognized "values" (Transparency International may help work out) on the governments to make democracy and market work better with total transparency and accountability that may lead to sustainable economic growth. The World Bank and the IMF holding the "purse" and having "a fiduciary and moral responsibility to make sure that the funds are well spent" as rightly emphasized by World Bank Senior Vice President Joseph Stiglitz, may make immediate moves with a view to reversing the present devastating trend.

**States Not Following Discipline to be Penalized:** The States not following the discipline should be barred from receiving funds from world institutions. The World Bank President and the Managing Director of the International Monetary Fund should present reports based on the assessments of their own institutions and also of the bodies like Transparency International and other civil bodies on each of the States receiving funds to the annual meeting of the World Bank and the IMF stating compliance status of these States of the international discipline and particularly the level of corruption. Unless this is done the present devastating trend directly affecting the economic development will not be reversed. However, the "Outreach Programme" that delivers funds to the needy small and medium enterprises should continue and indeed be strengthened and expanded. Such a delivery system will directly help the needy and deserving people as envisaged in the World Bank President's address and, in my view, this makes economic sense.

## Humanitarian Catastrophe in East Timor A Test for Clinton Doctrine?

by ASM Nurunnabi

*Fresh from the success of the NATO air war over Kosovo, Clinton saw an opportunity to shape his legacy. When asked if there was a Clinton Doctrine, he said, "If the world community has the power, whenever there is ethnic or religious conflict, to stop it, we ought to stop genocide and ethnic cleansing."*

WITHIN hours of the announcement that the vast majority of East Timorese had voted for independence from Indonesia, militia trained and supported by elements of the Indonesian armed forces turned the tiny island into a tropical hell. Concerted attacks on churches and other places of refuge killed scores and terrified anyone who favoured breaking away from Indonesia. An estimated 200,000 East Timorese out of a population of 850,000 either fled or were forced out from their homes. Gangs emptied and looted the capital, Dili, where columns of smoke choked the skies. The renegade drove nearly all foreign journalists from the territory and within a week, the United Nations Assistance Mission in East Timor, which organised the August 30 referendum, had dwindled to a skeleton crew of 84 staff.

According to later reports, the death toll certainly reached into the hundreds, perhaps the thousands. East Timor became a blood-soaked land, emptied of as much as a quarter of its population, and scarred by a nightmare that refused to end.

There was compelling evidence — from Indonesian and UN sources, militia leaders and human rights workers — that the military or elements within it had been planning the chaos in East Timor for some time. They key controller of the chaos had been the elite Special Forces, or Kopassus, which had been a key player in covert and psychological operations in East Timor and elsewhere. Diplomatic and military sources said the pro-Jakarta militia had been groomed to carry on its fight, backed with army-provided arms and ammunition.

From the day Indonesian President Habibie proposed a referendum, military sources said, the armed forces set about organizing the militias in each of East Timor's 13 districts. But what started as an apparent covert operation to intimidate voters had gone badly wrong, and the implications for Indonesia now appear dire.

For much of a week, world powers mulled, fretted and demanded that Indonesia stop the violence. The government in Jakarta promised to restore order, but the atrocities continued. The international community was outraged, but also paralysed for days, while reports of atrocities multiplied. Outraged over the violence, UN Secretary-General Annan and Western governments gave the Indonesians an ultimatum: Maintain peace and order or we will do it for you with the introduction of foreign peacekeepers. Australian warships with 500 troops abroad were positioned in the Timor Sea.

The United States, in particular, was initially hesitant to act. But with the whole world watching, a superpower had to do something. "I don't know the head of a state of a democratic country who, when confronted with the news, editorials, TV



East Timor independence leader Xanana Gusmao

South China Sea

Jakarta Indonesia

16th century: Portuguese colonise East Timor, Dutch colonise West

World War II: Australia, then Japan, occupy the territory

1945: Indonesian independence

1975: Democratic Republic of East Timor declared by guerrilla movement as Portuguese depart; Indonesia invades

General Wiranto, bore clear indication that it was the Indonesian military where decisions were being made. In this context, General Wiranto, leader of Indonesia's armed forces, later told a high-level UN Security Council delegation that the accelerated deployment of peacekeeping troops was now an option.

In later developments, Indonesia caved in to global pressure and said it would accept an international peacekeeping force to restore order in violence-wrecked East Timor. Thereafter, the UN Security Council authorised a multinational force to restore order in East Timor. In a unanimous vote, the Council endorsed "all necessary measures" to halt the killing and destruction in the former Portuguese colony by pro-Jakarta and anti-independence militias. US President Bill Clinton, speaking in New Zealand, urged Indonesia to stop the East Timor killings now. He said, "What I would like them to do, now that they have asked the United Nations to come in, is simply to stop the most egregious forms of violence and let the non-government organizations in to provide humanitarian relief right now."

Troops for the multinational force have been offered by Thailand, Singapore, Malaysia, the Philippines, Fiji, South Korea, Bangladesh, Canada, France, Argentina, and New Zealand, among others. President Clinton has pledged a limited presence of hundreds of troops mostly to handle airlifts, transport, logistics, communications and intelligence.

One major concern in East Timor is starvation. The UN Food and Agriculture Organization (FAO) has said more than 200,000 people may starve.

When an overwhelming majority of East Timorese voted on Aug 30 for independence, the pro-Indonesian militias, backed by Army units, went into a frenzy of murder, forced expulsions, looting and mayhem. Nobody would mistake East Timor for a major strategic asset, and nobody can argue that the vital interests of any major power are threatened. But the question is: does that make the nameless people there any less important? Say, than those in Kosovo? That was the question facing world leaders at present. It was only a few months ago that Clinton was talking about a new foreign-policy paradigm. Fresh from the success of the NATO air war over Kosovo, Clinton saw an opportunity to shape his legacy.

When asked if there was a Clinton Doctrine, he said, "If the world community has the power, whenever there is ethnic or religious conflict, to stop it, we ought to stop genocide and ethnic cleansing." He did not limit intervention to places where American interests were at stake.

Now has come East Timor to test the Clinton Doctrine.

## The Importance of Being a Benn and a Castle

So-called smart weapons are enabling powerful nations to make war without incurring casualties to themselves — a historic development of the nineties that is almost unnoticed. It is one of many uncomfortable facts that governments prefer not to be debated. Gemini News Service reports on the importance of veteran politicians who insist on speaking out.

Derek Ingram writes from London

On the Balkans while they paid little attention to the unspeakable horrors of Angola.

Both Benn and Castle have respectable credentials. In the 1950s both were leaders in the Movement for Colonial Freedom, which campaigned for the liberation of leaders in Africa and mounted huge rallies in London's Trafalgar Square and around the country.

That said, like just about every politician, neither has a history free of political contortions. Benn, a campaigner for unilateral disarmament by Britain, served in a cabinet that held a nuclear armory.

Castle did an about-turn as Minister of Employment and tried to cut the power of the trade unions, years before Margaret Thatcher actually did it. She had to withdraw when the Wilson cabinet weakened.

But now, in 1999, both Benn and Castle are saying still points to a reality, namely, that in this last year of the 20th century, perceptions of the world remain as skewed as ever in favour of the industrialised countries.

For example, the atrocities and loss of life in Sierra Leone were worse than those happening simultaneously in Kosovo. Yet for months they were almost unreported. In Britain, when one or two white hostages were taken it suddenly became a big story. The fact that large numbers of black hostages had also been held, in much more appalling conditions, passed unnoticed.

And how much debate is taking place on a frightening fact of 1999: that the Western world has quietly developed, first in the Gulf War and now in Yugoslavia, a method of making war without incurring casualties?

The answer is that the Western media is not discussing a historic development in the history of warfare: the coming of age of what have been named smart weapons — an obscene term if ever there was one. Not a single NATO (North Atlantic Treaty Organisation) casualty was caused in 78 days of attacks on Yugoslavia, and very few in the Gulf.

Although civilian casualties in Yugoslavia seem to have been light, the material destruction was huge. In the six-week Gulf War of 1991 no-one knows how many Iraqis died, but estimates put the figures at 100,000-200,000 civilians. Since then half a million children are believed to have died of starvation in Iraq.

Kuwait and Kosovo were liberated, but presidents Saddam Hussein and Slobodan Milosevic live. Neither problems is solved. Lord Carrington, Secretary-General of NATO, the main Western military alliance, in 1984-8 and once Britain's foreign and Commonwealth Secretary, has concluded that the bombing of Yugoslavia prompted the Serb ethnic cleansing against the Albanian population in Kosovo. NATO vehemently denied that

was the case and the powerful Western media went along with that. In analysing the tragedies in Africa today it is comfortably forgotten that many are the direct result of the Cold War when the Soviets and the Americans ruthlessly used countries like Angola, Mozambique, Somalia and Zaire (now Congo-Kinshasa) as surrogate battlegrounds.

Angola is a disaster area because in the 1970s the Americans and white South Africans backed to the hilt the rebel Jonas Savimbi and his UNITA movement against the legitimate government of Agostinho Neto.

Today, after more than 30 years of civil war, nearly a million dead and millions more homeless, the UN has declared Angola to be "the worst place in the world to be a child". Response to appeals for funds to alleviate starvation are getting little response because for rich countries, as one correspondent there put it, the disaster is "too complicated, too long-running and too far away."

Despite the Ottawa treaty banning anti-personnel mines, signed by 135 countries but not by the US, China, Russia or India, both sides in Angola are laying more mines than ever while Kosovo is littered with mines left by the Serbs and Kosovo Liberation Army as well as unexploded cluster bombs (not covered by the treaty) dropped by NATO.

The author is the founder and former editor of Gemini News Service.

by Jim Davis

