

# The Seattle Fiasco

by Henry Kissinger

THE collapse of the World Trade Organization conference in Seattle amid chaos in the streets was worse than a diplomatic fiasco; it spelled a missed opportunity. President Clinton could have used the occasion to put forward a farsighted programme for dealing with what portends to be one of the gravest challenges of the new century: the huge gap between the sophisticated model of the dominant economic model, called globalization, and traditional political thinking still based on the nation-state.

But instead of assuming the mantle of President Truman's leadership role in inspiring the structure of the post-World War II world, Clinton decided to play to the press in advance of the conference, he welcomed the prospect of demonstrations, thereby encouraging tactics of intimidation toward a group of ministers who were America's guests.

And even after violence occurred, he justified the demonstrations with the argument that, previously, "decisions were largely the province of trade ministers, heads of governments and business interests. But what all those people in the street are telling us is that they would also like to be heard." But why had they not been heard before in the seventh year of the administration? Why convene the trade ministers if the American government now claimed that there was something illegitimate about their principal sphere of authority? What was in fact needed at Seattle was a conceptual road map for the next phase of globalization, designed to preserve its economic benefits while broadening its political scope.

Globalization has encouraged an explosion of wealth and technology never approximated in any historical epoch. Such rapid change inevitably challenges prevailing social and cultural patterns. Markets generate growth but also dislocations. While these dislocations are arguably the engine of ultimately greater well-being, political leaders are obliged to deal with their consequences here and now. A sense of political unease is inevitable - especially in the developing world - a feeling of being at the mercy of forces neither the individual nor the government can influence any longer.

A new approach must begin with the realization that, by any objective measurement, globalization has been a huge success - especially for the United States. During the past two decades, the United States has generated unprecedented wealth; broadened and deepened the availability of capital; and the development and broad distribution of a wide variety of new technologies, created markets for a seemingly endless array of goods and services, all the time improving its distribution of income. So far as the U.S. economy is concerned, these are "the good, old days."

To be sure, even in the United States, globalization has left some individuals and groups behind. Jobs are lost in some sectors even as they multiply in others. Yet the protectionist argument that globalization generically produces unemployment is, in the United States, belied by the reality of full employment coupled with rising wages. The world's puzzle at protectionist pressures in advanced industrial countries has been well-expressed by Prof. Joseph Stiglitz, soon to retire, the chief economist of the World Bank: "What are developing countries to make of the rhetoric in favour of capital liberalization

when rich countries - with full employment and strong safety nets - argue that they need to impose protective measures to help those of their own citizens adversely affected by globalization?"

While the benefits of globalization have been dramatic in the United States, the impact on the rest of the world has been more ambiguous, at least in the short run. Europe, the next largest beneficiary, reacts warily to foreign takeovers, even from other European countries, though these reflect the free movement of capital that is one of the chief tenets of globalization, as well as of the European Union. And Europe has found it difficult to dismantle the traditional dominant role of its government and politics have stagnated partly because of the reluctance to open up to keep pace with globalization.

The economic and political consequences of globalization have been most severe for the developing countries. In a world where capital can move freely, investments will flow toward the highest return. This mobility of capital presents considerable risks as well as great opportunities for the host countries.

For foreign capital will leave if better opportunities open up elsewhere, or if the host country's economy suffers a perhaps cyclical decline.

**Restraints on monopoly and a social safety net have been the fundamentals of the national policy of the industrial democracies for nearly a century. By contrast, the developing world has few safety nets except a crude form of protectionism. There is rarely unemployment insurance for those whose jobs are destroyed through globalization.**

Large, diverse economies, as in the United States and Europe, with highly developed capital markets and a body of commercial law can cope with these fluctuating movements. The fragile, brittle economies and social structures of most developing countries are disproportionately vulnerable, at least in the short and medium term.

These problems are compounded because urbanization, which is inherent in industrialization, inevitably brings with it the weakening of existing traditional, political and social support systems. Even when their material conditions improve in absolute terms, the migrants become increasingly conscious of the gap between rich and poor that, in almost all developing countries, the early stages of globalization seem to magnify. Therefore, political and economic indices frequently swing wildly out of phase with each other.

Moreover, capital flows are not necessarily determined by the economic performance of the host country. Speculative capital moves to take advantage of short-term trends; it can benefit from downturns as well as from booms. Even financial institutions do not specialize in speculation often contribute to these trends. During downturns, domestic capital flees while foreign financial institutions protect themselves by reducing their exposure even in healthier economies, to offset losses incurred elsewhere. All this turns national or regional difficulties into global crises. The way the international system manages its periodic crises compounds the political challenge. The standard remedy of international institutions - especially of the International Monetary Fund - has been to restore credit-wor-

thiness by imposing drastic austerity on the affected countries. But these exactions are perceived as a form of neo-colonialism in which the concerns of foreign lenders are being given priority over the well-being of the affected population.

During the first 20 years of the post-colonial period, public monies financed most investments in the developing world. When, in the 1980s, Western taxpayers revolted against these grants, many developing countries strove to attract private Western capital. And until the mid-1990s, private investment seemed to enable emerging countries to build up their industrial capacity. Since then, the American - and more recently the Japanese and European - financial markets have been such powerful magnets as to discourage capital flows into areas where the political risk is greater and the regulatory system less predictable, as in Latin America or non-Japanese Asia. But since domestic capital is more expensive, companies that are obliged to depend on it are at a grave competitive disadvantage. This dynamic coincides with a drive toward big business almost for its own sake that has become the key corollary, almost the synonym, for globalization.

As local enterprises feel obliged to merge with multinationals with better access to global capital markets, the typ-

anywhere view themselves primarily as components of a global economic mechanism. They identify political accountability with the nation-state and demand that governments cushion them against excessive suffering or dislocation. Leaders - especially in the democracies - are overturned when they are perceived to have failed in this task. Protectionism beckons, together with attacks on America as the leading industrial power.

The industrialized countries have avoided many of these consequences largely because they have not left their citizens naked in the face of dramatic market changes. Restraints on monopoly and a social safety net have been the fundamentals of the national policy of the industrial democracies for nearly a century.

By contrast, the developing world has few safety nets except a crude form of protectionism. There is rarely unemployment insurance for those whose jobs are destroyed through globalization.

If these conditions persist or grow worse, the world could evolve into a two-tiered system in which globalized elites are linked to each other by shared values and technologies, while the populations at large, feeling excluded, seek refuge in nationalism and ethnicity and attempts to become free of what they increasingly perceive as American hegemony. The calls for an Asian bloc - and even Mercosur in South America - are motivated in large part by an attempt to reclaim some political control over external economic forces. In such an atmosphere, attacks on globalization can evolve into a new radical chic, especially where the governing elites are small and the gap between rich and poor is vast and growing. No economic system can be sustained without a political base - internationally or locally. The basic challenge for America and for those who believe in free trade is to match economic growth with political imagination: to navigate between those who see the world in only technical economic terms and their critics, who yearn to return to some quasi-socialist model of government control.

In the next century, America must learn to transform its current dominance into a global, political consensus congruent with American interests. The challenge is to foster an international sense of social responsibility without strangling a highly successful economic system in regulatory impositions by international bureaucrats. The historic anti-trust policies of the United States have yet to find a global expression. The international financial system needs to reduce its volatility and to learn to cushion the impact of crises. The role of speculative capital remains a challenge. In dealing with economic or financial crises, a better balance needs to be established between the claims of lenders and the social concerns of affected societies. The international system for labour standards and the environment must be met without choking off free trade and without giving developing countries the impression that our real goal is to throttle their competition. I do not pretend to have the answers to these questions. But I know that pandering to demonstrators is not the way. Unless America helps to launch a serious international discussion with respect to these issues, the very premises of the globalized system will, in the first part of the 21st century, find themselves under growing political attack.

Courtesy: The Dawn of Pakistan

# Lest We Forget Tribute to a Teacher Par Excellence

By M. Waheeduzzaman Manik

ALTHOUGH I had seen Dr. Mirza Nurul Huda (1919-1991) from distance once or twice and read his budget speeches and articles, it was not before 1969 that I met him face to face for the first time. Since then I had the opportunity of meeting him on many occasions even long after I had finished my student days at the Department of Economic of Dhaka University. I have some of my fondest memories about Dr. M. N. Huda. One of those memories is his youthful look. Another sweet memory about him flashes back to my mind is his sweet smile. To me, he was a man of integrity and decency. Doubtless, he was a dignified gentleman. When he died on December 22, 1991, I found it hard to believe. Like all his other students, I also exclaimed, "How could it happen?"

As those of us who enrolled in the Honours programme in 1967 and were his students in 1969 or 1970 would remember that the return of the former Governor and the Minister of Finance was a blessing for the department. Although Professor Rehman Sobhan was there in and Dr. Malik Khasru Chowdhury had already been hired, by the time 'Huda Sir' returned to teaching, the department saw its worst in mid-1960s. With his return, the department got back its vitality from its almost moribund condition. Within the shortest possible time, he revamped the department and most of the distinguished economists started coming back to teaching.

Born in a distinguished Muslim family of village near Tagail 1919, Dr. Huda was a distinguished student from primary school to university. Having received scholarships at all levels, he passed his matriculation examinations in 1935 with distinction from a high school in then Tangail subdivision of Mymensingh district. He also excelled in his Intermediate of Arts (IA) Examinations from Dhaka College in 1937. During his tenure as a student of Dhaka University (from 1937 through 1941), Dr. Huda proved himself to be one of the most outstanding students of the university since its founding in 1921. He stood first in first class both in B. A. (Honours) and B. A. examinations in 1940 and 1941 respectively. He had the rare distinction of receiving the coveted Raja Kalinarayan Scholarship in 1940 for topping the list among all time graduates of Arts and Science faculty. After taking the competitive examination, Dr. Huda joined the Bengal Civil Service and served as a Deputy Magistrate in early 1940s. While he was still in the service, he decided to accept a scholarship to pursue graduate studies in economics at Cornell University in the United States.

After receiving a PhD in Economics within the shortest possible time in 1949, Dr. Huda immediately returned to the then East Bengal. He joined Dhaka University in 1949 as a Reader (Associate Professor) in the Department of Economics. He was hardly 30 years old at that time. The addition of a budding scholar of his stature to the faculty was significant at a time when most of the distinguished scholars from the Hindu community were migrating to India. Like many other departments, Economics Department had also suffered the brunt of the exodus of the reputed scholars during the post-partition years. When the departmental head Dr. Ayer mi-

grated to India, Dr. Huda capably shouldered the responsibility of holding the department together as the new head. It was widely recognised that Dr. Huda substantially contributed to enrichment of the department in early 1950s.

There is no doubt that he contributed to the making of economics as a field of academic study in the then Pakistan. In other words, Dr. Huda played a pivotal role in the then Pakistan in building up a viable bridge between theory and practice of economics. During his tenure with the University of Dhaka University, Dr. Huda was not only pre-occupied with the Department of Economics but he was also in the mainstream of the university administration. He acted as the Head of the Department, Proctor, Provost and Dean at different times. When he returned to Dhaka University in 1969, Dr. Huda had assumed the responsibility of the Chairmanship of the Economics Department and the Bureau of Economic Research. During his second phase with the university, he was also

reer, he demonstrated, beyond reasonable doubt, a deep sense of personal honesty and professional integrity. He maintained dignity in his personal mannerisms without being presumptuous. He held so many top positions in the management of public sector without even soliciting them. As an editorial in The Daily Star, after the sudden demise of Dr. M. N. Huda in December, 1991, succinctly summarised the context: "This penchant for leadership made non-academics to look forward to him [Dr. M. N. Huda] with anticipation whenever there was any important gap to be manned. That explains his becoming a Finance Minister twice and then even the Vice President of the new State without ever being involved in any rat-race for top jobs."

"The great man is he," to quote Emerson, "who in the midst of the crowd keeps with perfect sweetness the independence of solitude." Indeed, Dr. Huda was a great man because throughout the whole tenure of his crowded public life he consciously maintained his "perfect sweetness" and "independence of solitude." A soft-spoken, a scholarly quiet gentleman, he demonstrated humility, the most admirable of human virtues, in his dealings with his students, subordinates and colleagues. He was a beloved teacher, a teacher of teachers, a caring guide and an inspiring mentor for generations of economists, administrators, planners and teachers who passed through the corridors of the admirable Department of Economics. Many of those individuals who worked for him or worked with him outside the academia are still alive to verify that Dr. M. N. Huda left a legacy of professional excellence and personal integrity in the management of public service.

Although I find no words adequate enough to express my own deep sense of gratitude to my teacher and mentor, I take pride for being his student. I acknowledge my indebtedness to Dr. M. N. Huda for offering me sound advice on several occasions. I also owe an incalculable debt of gratitude to him - a gentleman of rare quality for demonstrating genuine interest in my academic pursuits. As a former student of Dr. M. N. Huda, I find reason to mar his essential greatness by unnecessary eulogy. A truly dedicated teacher of Dhaka University's Economics Department, his work and concern for quality education and professional excellence, and his commitment to personal and professional integrity live on in the memory of his former students and colleagues. In my humble assessment of Dr. M. N. Huda, I would like to emphasize that the essence of the man and his career can be exemplified with the following simple words: integrity, honesty, decency and professional excellence. As my own language fails to express my deep sense of gratitude to Dr. M. N. Huda, let me conclude my tribute to my teacher with a quote from Poet Shamsur Rahman: *Apur Ben Jeno Jonner Daag Bhoobora Kono Din* (My indebtedness to you is like a birthmark that I would never forget).

The author writes from Clarksville, Tennessee, USA where he teaches Public Management and directs Management Technology programme at Austin Peay State University.

Dr M N Huda (1919-1991)

elects as the Dean of the Faculty of Social Science. He was a teacher and a mentor for generations of students and colleagues. In recognition to his professional accomplishments, Dr. M. N. Huda was elected in 1965 the President of Pakistan Economic Association. He was also elected in 1976 the President of Bangladesh Economics Association.

His professional assignments included his stints with both the then Central Government of Pakistan and the Provincial Government of East Pakistan. He served as a Member of the then East Pakistan Planning Board. He was a Member of both the Taxation Enquiry Commission and Credit Enquiry Commission. In 1962, Dr. Huda was appointed a Member of the Planning Commission of Pakistan. He was one of the drafters of both the First Five-Year Plan and Second Five-Year Plan of Pakistan. He served the erstwhile Government of East Pakistan as the Minister of Finance from 1965 till he was appointed the Governor of the province in early 1969. During the last days of 1969 student movement that eventually toppled the Ayub Khan regime, Dr. M. N. Huda had attracted the imagination of millions of defiant people as the newly-appointed Governor of the province, replacing Mohammad Khan, the infamous Governor of the then East Pakistan. Indeed, his appointment as the Governor at a critical juncture of our history was received well by the public. The inspiring ad-

Ministry of Agriculture from February 1976 through June 1976. He continued to be a member of the Presidential Council of Advisors after Ziaur Rahman, the then CMLA had assumed the Presidency of the Republic. Dr. M. N. Huda held the portfolio of the Ministry of Finance in Ziaur Rahman's revamped Cabinet from December 1978 through April 1980. In November 1981, the newly-elected President Justice Abdus Sattar appointed Dr. M. N. Huda to be the Vice President of the Republic of Bangladesh. Although the nation was in turmoil due to infighting within the Bangladesh National Party (BNP) and the illegitimate pressure on the elected President from General H. M. Ershad, the then Army Chief, Dr. M. N. Huda served the Republic as the Vice President from November 1981 through March 1982. During that time he was also in charge of the Commerce Ministry from February 1982 through March 1982. The moment he realised that he could no longer serve his nation with dignity and integrity, he quietly resigned in March 1982 from the Vice Presidency of the Republic.

Although the intent of this note is not to list all of the accomplishments of Dr. M. N. Huda, it is important to underscore that he held important positions both in the academia and in the Government by dint of his merit. He held those coveted positions without compromising his personal integrity of character. Throughout his entire professional ca-

# Ramadan and Fasting

by Iffat Mirza

RAMADAN, the 9th month of the Islamic calendar is very special for the Muslims because the Holy Qur'an is first revealed to prophet Mohammad (pbuh) during this month on the Night of Power (Lailatul Qadr). That is why fasting during this month is obligatory for all able-bodied Muslim adults to show our gratitude to Allah.

Allah says in the Qur'an, in Surah Baqarah, verse 185: "Ramadan is the month in which was sent down the Qur'an, as a guide to mankind, also clear (signs) for guidance and judgment (between right and wrong). So every one of you who is present (at his home) during that month should spend it in fasting, but if anyone is ill or on a journey, the prescribed period (should be made up) by days later. Allah intends every facility for you; He does not want to put you to difficulties. (He wants you) to complete the prescribed period, and to glorify Him in that He has guided you; and perchance you shall be grateful."

**Exemption From Fasting:** Children under the age of puberty and insane persons are exempted from the duty of fast and no compensation is required for them. Men and women who are too old or too sick can pay compensation instead of fasting. If a person is traveling or is sick, if a woman is pregnant or is nursing a child can defer the observation of a fast. They can make up for it later. A woman should not fast during her period of menstruation or during her confinement just after childbirth. She must postpone the fast till recovery and then make up for it, a day for a day.

**Penalty Of Voiding Your Fast:** The fast of any day of Ramadan becomes invalid by intentionally eating, drinking etc. before sunset, and the penalty of deliberately doing something which nullifies the fast is to fast sixty consecutive days or as an alternative, feed sixty poor persons sufficiently, besides observing the fast of one day against the very day.

**No Penalty for Mistakes:** If anyone, by mistake, does something that would ordinarily break his fast, his fast is not nullified. The fast stands valid

provided he immediately stops the moment he realizes he is doing something wrong. For example, if someone chinks a glass of water by mistake, his fast still remains valid.

**Spiritual Benefits:** Fasting, in which we abstain from supplying the body its biological needs, is a vehicle that takes our soul closer to Allah. That is why Allah said in a hadith qudsi "Fasting is for My sake and it is I who will give rewards for it."

The Angels will distribute the rewards for all good deeds by the command of Allah. But the reward for fasting will be given by Allah Himself. In other words the reward for fasting is the vision of Allah Himself.

The Holy Prophet (pbuh) said: "There are two joys for a fasting man - one joy is at the time of breaking the fast and another joy is at the time of meeting with his Lord. There is a gate in Paradise named Rayyan, people who fast will enter Paradise through that gate."

In another hadith the Prophet (pbuh) said: "When the month of Ramadan comes the gates of Paradise are opened and the gates of Hell are shut, and the Devils are put in

chains." This gives us a good reason to compete with one another to do good deeds in the month of Ramadan.

**Some Recommendations from Sunnah:** Increase the study and recitation of the Holy Qur'an. It is good to read the whole Qur'an at least once during Ramadan.

Observe the Taraweeh prayer because it erases past sins.

For the last ten days of Ramadan long night prayers are highly encouraged. Our Prophet (pbuh) said: "Seek Lailatul Qadr (Night of Power) in the last ten nights of Ramadan" and he urged us to spend this night of each year in devotion. Allah said in Surah Qadr that Lailatul Qadr is better than one thousand months. Our Prophet (pbuh) also said: "He who spends the Night of Power in worship, out of faith and anticipation of a reward will have all his past sins forgiven."

Intensify charity and other humanitarian services. Restrain the tongue from useless talks like gossip, backbiting etc. Instead busy yourself with the remembrance of Allah.

Also stay away from hearing evil talks. The Prophet (pbuh) said: "The back-biter and the hearer of back-biting are equal co-sharers of the sin."

by Jim Davis

