

### Hoping for a Happy New Year

THE whole world would have already celebrated the advent of the New Year; the New Century and some even the New Millennium. And so would we have. But ours was slightly different. Behind our celebratory veneer lurked the fear as to how happy our New Year would really turn out to be. And here lies our real tragedy. Today our fear for the future does not come from the unforeseen natural calamities or from the debilitating effect of crunching poverty but from the selfishness, greed and total lack of imagination of our political leadership. Therefore our New Year's wishes are mostly addressed to them.

The first wish is to urge our leaders to tell us of their long-term visions about the country and its people, with a clear guidelines and time-table to implement them. Let AL and the BNP tell us what plans they have for us. Today there is a dangerous lack of vision all around which has, naturally, led us to a lack of understanding of our problems. As a consequence, we have been running on ad hoc and short term measures that only further complicate the already complex issues.

The second wish, which follows from the first, is to urge our leaders to do some reading. There is plenty of research — some very good ones — available on almost all the issues that bedevil our progress today. But the sad fact is that our leaders do not read them. They are so used to listening to their own words and so much in love with the resonance of their own voice that they are quite happy giving repetitive speeches rather than slogging through documents, statistics and analyses that may provide pointers for their policies. The most dramatic example of how our leaders ignore the scholars lies in the fact that neither the BNP government nor the succeeding AL government made any use of the Task Force reports that our best thinkers and researchers produced in the early 90s under the leadership of Prof. Rehman Sobhan. By all accounts it was a magnificent attempt to articulate our own thoughts — not the usual donor driven prescriptions — about our own problems by our most recognised scholars. And yet it made no impact on our democratically elected policy makers. This must change in the 21st Century if we are to take any advantage of the huge reservoir of knowledge that will become available.

Our third and final wish for our leaders is that they must try to fight corruption in some meaningful way. We know they will find it hard to admit but the fact is that our politicians are among the most corrupt elements in our society. The interest of the country or of its people are sold in the marketplace of vested interest for a song without any idea how this will affect our future. Criminal elements find their most loyal patrons in the politicians. All this is making a mockery of our democracy. For most of our leaders politics is becoming — or may have already become — a business. You invest some money to get elected, and then realise many times over that amount through corruption.

This is the modest wish list we have for the New Year. Hope we have some takers.

## Sources of Economic Growth

Mr. Mankiw, the growth theorist of Harvard University, tends to argue that, for a start, "the goal of growth theory should be to explain why some countries grow faster than others, not why they grow in the first place".

THE best antidote for most economic ills is considered to be the rapid economic growth. While economists, by and large, tend to agree to the importance attached to economic growth they, however, appear to disagree to the ways of mounting it. There are many things "on heaven and earth" for which economists have no answer and if they have it at all, these are unlikely to 'sing in unison'. One such area where answers could be numerous is what causes economic growth.

Surprisingly, economists are alleged to know very little about the causes of economic growth. One needs to go back to Nobel laureate Robert Solow's (1950) path-breaking residual factors of productivity analysis to get a cue to growth. Neoclassical growth model, as it is called, the approach pinpoints capital accumulation as the vanguard of fostering rapid growth when savings and investments appear as keys to capital accumulation.

Why save and invest? It is simply because the current generation is exploiting resources for its socio-economic uplift and it should not be oblivious of the fact that the future generation has also a share on these resources. Parents need to sacrifice for children (not perhaps the other way round) and hence "each generation saves just enough to replace the capital that it has depleted". Savings and investments, thus, emerge as the linchpin of sustained economic growth. Hewing in

this line of reasoning, perhaps, the Bretton Woods institutions place enormous emphasis on the promotion of these factors. Demand management policies are targeted towards that end.

Available studies tend to show that this simple model, with all its powerful insights into the hike between savings and growth, is constrained by two major drawbacks. First, the specific relationship among some variables as postulated by

the model "fails to fit the facts". The example that "income disparities between countries are greater than the differences in their savings rates" is a case in point where the predicted relationship does not hold good. Second, although the model argues that economic growth is a function of the rate of technological change, nevertheless, it fails to explain the determinant of the rate! Again, a poor country might be provided with technology but its poor absorptive capacity might disain optimum outcome from the use of that technology.

Mr. Mankiw, the growth theorist of Harvard University, appears to treat the neoclassical model as "the model" notwithstanding the limitations cited above. He tends to

improving workers' skills. The latter is called human capital formation as the importance of which is recognized by any economist notable among them is Nobel laureate Theodore Schultz. According to the same growth theorist, "in a typical country, about two-thirds or all labour income derives from such investments. The typical country, therefore, derives about four-fifths of its total income from capital — both human and physical — as opposed to the one-third share that economists typically assume".

Once the contribution of the human capital component is given due cognizance, it could raise the competence of the model to explain growth phenomenon more convincingly. And once the adjustment is

made, the neoclassical model outpaces the others in terms of its simplicity to work reasonably well for policymakers and students.

However, an incorporation of the adjustment as mentioned above is being argued to pave ways for more criticisms. In fact, it is being argued that an explicit recognition of the human capital argument raises more questions than answers it can provide. Paul Romer, an expert in growth-theory in Stanford University, estimates that "if differences in income across countries stem from disparate levels of human capital, then returns to education in poor countries should be about 100 times larger than in rich ones which seems one too plausible as skilled workers should be queuing up at the border of poor countries, not fleeing them for wealthier ones".

In the face of these criticisms, the critics of the neoclassical model share up with "endogenous growth" models as models that provide explicit recognition on technological change. This school of thought appears to argue that the focus on human capital should be replaced by a focus "on the incentive to create new knowledge and the ways in which this knowledge spreads".

It should, however, be mentioned here that both of these approaches to growth are not immune of deficiencies.

As can be observed, there are a lot of other contributory factors to growth, which the approach apparently tends to undermine. One such factor of importance could be the kind of trade regime in which an economy is being subsidised to i.e. whether it is free trade or restricted trade. Even the strength of the legal system could turn out to be the determinant factor. Any model that bypasses these elements is likely to yield partial outcome. Thus like savings rate, schooling, some other factors should bear due weight in growth analysis.

### Beneath the Surface

by Abdul Bayes



### The Seattle WTO Fiasco

A Husnain

The readers of Henry Kissinger get a clearer grasp of the WTO Seattle Fiasco after going through his communicative analysis [The Seattle Fiasco, DS, Dec 22]. The points he has brought out need careful study and analysis by the politicians and administrators in the third world countries, to develop and plan tiered responses to the periodic crises seen in the fluctuating globalisation projects now being seemingly monopolised by the industrialised countries.

It is the phase difference, either in the time of frequency domain, of responding to, and handling crises by the national governments in the South. The cushioning base is not properly developed to absorb the time delays in taking corrective actions in national interest. Everything comes late in life, compounded with fresh problems in a developing society. Economic stability needs an undercoating of political stability without breaks, to be able to play the cards as per planned programme over a period of time.

The slow bureaucracy is a handicap in an administrative system not geared to rapid changes in a globally changing

market; and the negative consequences of this flywheel effect is enormous in the LDCs; compounded with safety-first tactics of the political leadership. This recurring external challenges have to be faced, as the consultancy solutions come from the western sources, who amongst them control the market. This includes the neutral international agencies under the UN system — which is increasingly growing helpless in the presence of a lone-superpower — in the world entering a millennium of deep-seated economic disparities, traditionally fuelled or nourished during the post-colonial period.

Kissinger has contrasted President Clinton's playing to the gallery at Seattle to the Truman doctrine (earlier, after the great depression at the beginning of the 1930s, Roosevelt had also delivered a package of reforms). The US presidency is a victim of circumstances, and the US national goals have a higher priority than international parleys on consensus. The American wealth and prosperity bubbles do have adverse repercussions in the rest of the globe. But the line of thinking is unlikely to change until there is a more lasting upheaval in the

Wall Street, which plays a significant role in Washington's policies for home and abroad.

The fragile and brittle economic base in the developing countries is further ensnared in the urban migration stresses, the burden of the unproductive SOEs, the restive labour unions in the overpopulated countries, and the general environment of indiscipline, defiance of the authority, terrorism and open corrupt practices. There is a huge gap between the top and the bottom of the economic scale, defying quick fixes.

Kissinger has outlined some suggestive strategy for the reorientation of the US foreign policy during the next century. Even if such a package were forthcoming soon, the international flux of political and economic changes in the world capitals would delay the reaping of the benefits in a visible manner.

The poor are trying to unite through regional blocs, but how much the bite of the stand would be effective? The bottom is always sluggish, but changes at the top are inevitable at the global level; and there lies the galvination in unplastered form, later to be moulded into local entities.

### To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

### Whimsical activities

Sir, First, I heard the news from BBC that some gunmen foiled the convention of Bangabir Kader Siddique where from he wanted to launch his new political party 'Krisnak Sraniak Janata Dal'. The terrorists attacked three stages injuring at least fifty people. Later, I read similar news in the print media and was confirmed that the gunmen were the activists of the ruling Awami League's students' wing. The news really shocked me.

We all know more or less about the resignation of Kader Siddique from Awami League and from the position of the MP. We also know about the re-election of Siddique's constituency and the writ petition filed before the honorable High Court Division of the Supreme Court of Bangladesh. He was elected from his constituency in 1996 election. It would not make any difference to the government if he was further elected from that place. But the present government took all the measures to win the seat. The election dispute itself is not yet settled.

In the meantime, four opposition parties have made alliance for ousting the government and accordingly they are continuing their movement. On the contrary, eleven parties are united against the four-party alliance, which goes in favour of the government. The government ought to take the eleven as friends. Gano Forum is one of the eleven. But while the Gano Forum President was present as the chief guest at Kader Siddique's convention, the incident took place. This incident will of course be taken by the eleven party in consideration, which may go against the ruling party. It may be an issue against the government.

given him the rights to freedom of assembly, freedom of association and freedom of thought, conscience and speech.

Pankaj Kumar Kundu  
Staff Lawyer, BLAST

### Restoring peace and tranquility

Sir, Crime is increasing in our country at an alarming rate making the citizens' lives miserable. Criminal activities such as rape, murder, mugging, abduction, toll collection and violence are rampant in every part of the country, and the situation is deteriorating day by day as the police fails to control law and order. This is the reason why most of the people, especially women feel, very insecure even when they are in their own houses. What kind of life we are living when we are scared even in our own house?

When I go out, I ask to myself will I be able to come back home safely? Well keeping in mind all the criminal activities going on in the city, I don't know for sure. Neither do most of the citizens of this country. At this state, I believe religious beliefs can refrain people from wrongdoings and will surely reduce crime to a certain extent. Religious principals teach people to be honest, dedicated and committed to the social work. Therefore, religious education will not only make people's life easier but also help flourish our economy in the long run. Being a Muslim and while living in a Muslim country, I believe that if Islam is practiced properly then peace will prevail in our country.

Islam is the only religion, which gives full right to the women. Proper practise of Muslim religion would help to alleviate poverty through implementation of practice of equal share of assets. Therefore in the long run, it will reduce the class conflict in the society. Preaching Islam will not harm us but it will surely benefit us mentally and physically, as it will

prevent us from wrongdoings. The spiritual belief that grows within us will automatically help us to go in the right path.

Rizwan Hussain Jabbar  
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### Good and bad

Sir, We seek deliverance from the moral disintegration of the nation. Since the self is trapped in a vicious circle, the selfless may come forward to lend society a helping hand.

Protect us from the self-seekers who do not care for the needs of others. Provide others with options so that we may live, as victims of our own failures, and not of others' fleeting success. A moment's temptation might cripple a life, adversely affecting the near and dear ones. A candle of benevolence illuminates many malevolent.

Monetary purchasing power is not a sign of success; the best bargain is to keep one's own selfishness in bond. Polluted water cleans itself as it rises up in vapour, and returns the favour by coming down again as pure rain water. Since bad can return as good, where is the loss?

The smile of fortune is not stable; hence it is wise to be temperate. Good and ill are tests for constancy. Prosperity steals strength with sweet smiles; while ill fortune conquers the vain self; and it strikes unseen. True virtue will always act, regardless of coincidences.

Covetousness is a happy search for unhappiness. Sell not peace, as it cannot be purchased.

A Citizen  
Dhaka

### Whither the city of Dhaka?

Sir, Once a placid and tranquil district and the city of mosques, Dhaka has now turned into a city of crisis, slums, garbage, mosquitoes, vendors, hawkers, garages for buses, auto-rickshaws and trucks and a city of unruly political activities.

Perhaps, of all the metropolitan cities of the world the people of Dhaka are the worst sufferers in respect of water supply, electricity, sanitation system and other civic amenities.

Is it not true that most of the time the city dwellers are living in tension and restlessness? There is no security of life and property of the people. People cannot move freely from one place to another. The parents are always worried about their school going children and wards attending colleges and universities.

We feel that the relevant authorities, all are in a mess and they do not seem to discharge their duties and responsibilities efficiently. Moreover in one form or other there is collection of so-called 'toll tax' almost everywhere.

What a ridiculous and funny situation the WASA, DESA and Titas etc maintain systems loss of crores of Takas. The DCC insists there are only 88 thousand rickshaws in Dhaka and the DMP insists there are six lakh rickshaws in the city.

Despite government restriction all sorts of repair works, vulcanizing, welding, engine over-hauling, and painting works of the vehicles, buses and trucks are done on the public roads at the very nose of law enforcing authorities. There is indiscriminate and whimsical parking of buses, trucks and rickshaws on important and crowded public thoroughfares. Wherein parking of a bus on a road-side makes the traffic knot we find two to three buses standing shoulder to shoulder blocking and hindering the road traffic. Shop-keepers encroach upon the public roads they display and store their goods and commodities on roads and footpaths. Hundreds of hawkers and vendors also do not fail to illegally occupy public roads. There are lawlessness, indiscipline, chaos and confusion everywhere.

Because of our bitter past and present experiences we wonder 'whither Dhaka?' Are we going to make another dead city of Mohenjodaro?

On the eve of a new millennium 2000, we must rediscover ourselves, ponder, consider and accept our mistakes and lapses and start everything anew to save our Dhaka city in a planned and serene manner for our own survival before it is too late.

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### Freedom fighters and "Muktir Katha"

Sir, "Muktir Katha", a documentary film made by Tareq Masud and Catherin Masud really impressed me. The film contains the words of the common people who have participated in the war of independence directly or indirectly.

Our politicians and historians always discuss the contribution of various political leaders, military personnel, intellectuals and other high-ranking professionals. But they hardly discuss the sacrifice of the common people. There are still many who have been living miserably because of the war.

Since the independence, no government took sincere steps to improve their condition. By watching 'Muktir Katha' now I know about these neglected freedom fighters. Lot of thanks to Tareq and Catherin Masud.

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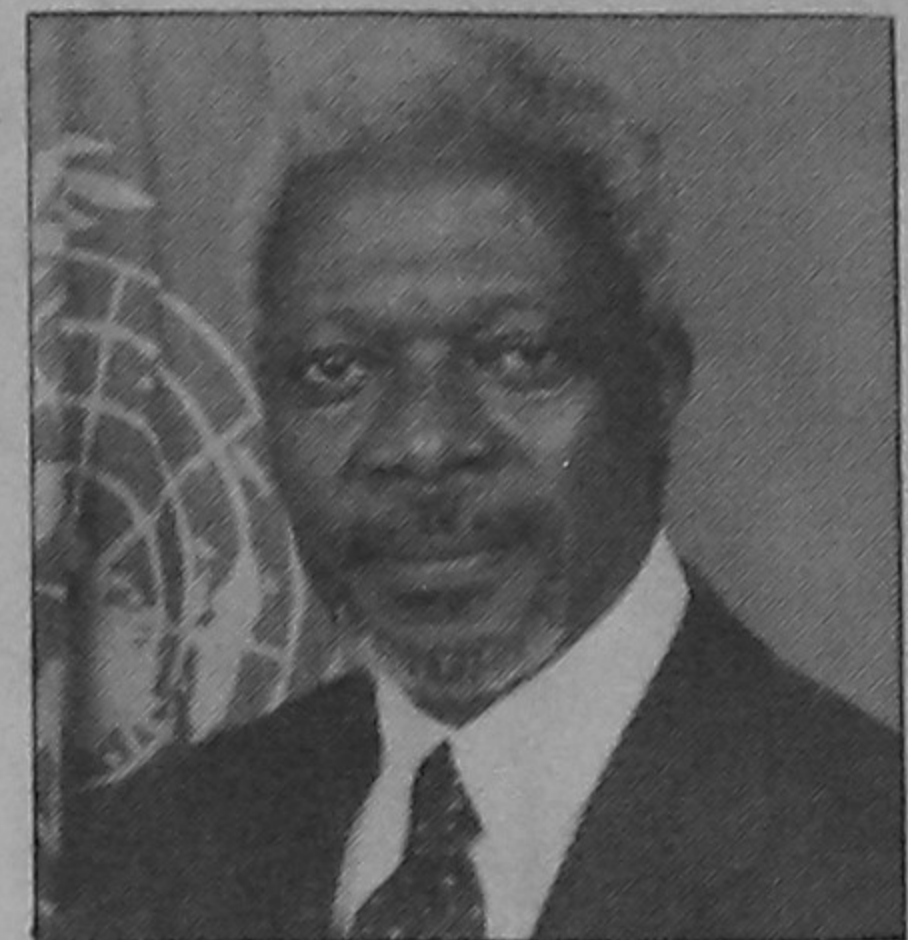
### Wizard Samad

Sir, Recently, in several national dailies, including the DS a particular news about footballer Pele has been printed. It has been stated that he is the greatest footballer of this century, some have gone further describing him as the footballer of the millennium. Undoubtedly, Pele is one of the greatest footballers but how can one knowledgeable of this game forget the wizard Samad? To my knowledge, in the history of football, only Samad has been described as wizard because no other appellation could describe his control over the ball.

I myself on many occasions witnessed his amazing capacity to dribble through five or six opponents and score or give his player a sure opportunity to score. Besides no less than three players were required to guard him. He was a legend during his lifetime. I hope sports critics will do some research on Jadukar Samad.

Akber Kabir  
Dhaka

## Kofi Annan Sees the New Millennium as a Time of Hope and Opportunity



Following is the message by the United Nations Secretary-General Kofi Annan for the new Millennium:

My dear friends all over the world,  
Today we celebrate a special New Year with a momentous number: the Year Two Thousand.  
As we move into a new Millennium, many of us have much to be thankful for. Most of the world is at peace. Most of us are better educated than our parents or grandparents, and can expect to live longer lives, with greater freedom and a wider range of choices.

A new century brings, new hope, but can also bring new dangers — or old ones in a new and alarming form. Some of us fear seeing our jobs and our way of life destroyed by economic change. Others fear the spread of bigotry, violence or disease. Others still are more worried that human activities may be ruining the global environment on which our life depends.

No one knows for sure how serious each of these dangers will be. But one thing they have in common: They do not respect state frontiers.

Even the strongest state, acting alone, may be unable to protect its citizens against them.

More than ever before in human history, we share a common destiny. We can master it only if we face it together.

And that, my friends, is why we have the United Nations. Through the United Nations, we are working together to preserve peace; to outlaw weapons that kill and main indiscriminately; to bring mass murderers and war criminals to justice.

Through the United Nations, we are working together to defeat AIDS and other epidemics; to control climate change; to make clean air and water available to everyone.

Through the United Nations, we are working together to ensure that the global market benefits all of us, allowing the poor to lift themselves out of poverty.

Through the United Nations, we are working together to make human rights a reality for everyone — to give all human beings real choices in life, and a real say in decisions that affect their lives.

In all these areas and more, the United Nations is working for you. But it can do little without you. After all, it belongs to you — you, the peoples of the world. And therefore it can work much better with your help and your ideas.

My friends, the new millennium need not be a time of fear or anxiety. If we work together and have faith in our own abilities, it can be a time of hope and opportunity. It's up to us to make it so.

Happy New Year!

## Bangladesh at the UN Security Council A Diplomatic Challenge for the New Millennium

by C M Shafi Sami

The challenges for the Security Council in the 21st century are immense and formidable... As a member (although non-permanent) of the Security Council, Bangladesh has no illusions of the heavy and onerous responsibilities that go along with the membership of this prestigious organ of the UN.

THE United Nations was established more than 50 years ago after the end of World War II. The founding fathers had envisaged that the world body would act within its mandate to prevent the outbreak of another world war and to devote its efforts for the development of the human race. Despite all that may be said about the United Nations, it must be given the credit of having performed this job. It was not easy, particularly when East-West confrontation divided a number of the member states on ideological grounds and military alliances. The developing countries tried to steer away from this confrontation by forming the Non-Aligned Movement. However the fate of the world was often kept hanging by the superpower conflict. Along the way, there have been several crisis situations taking the world to the brink of a major global confrontation. The United Nations' role in de-escalating tension and conflict resolution must be given due recognition. The challenge for the international community in the 21st century would be put behind the sufferings and mistakes of the last millennium and look ahead towards establishment of lasting peace, security and development for all humankind. The United Nations Security Council would have a pivotal role to play in the realisation of this lofty goal.

Bangladesh's election as a non-permanent member of the UN Security Council for the term 2000-2001 is most certainly a major success of our foreign policy. It was the first time in its 25 years of membership of the United Nations that Bangladesh would be serving in the Security Council. This by itself is no mean feat. Therefore when we take our seat in the UN Security Council on the very first day of the new millennium, we know that we will also be taking our place in history in performing a pioneering role of bringing global peace and security for the 21st century. Bangladesh must be prepared to perform this role well for the sake of its national interest as much as for the sake of international peace and security.

Our election to the UNSC was a clear show of the confidence placed by the international community on the foreign policy of Bangladesh. Since our membership of the United Nations on September 17, 1974, Bangladesh has taken a proactive and constructive role in the United Nations. The Father of the Nation, Bangabandhu Sheikh Mujibur Rahman in his speech to the UN General Assembly on September 24, 1974 spelled out the basic foreign policy elements for the nation. These directives have continued to form the basis of our foreign policy. Our efforts at the United Na-

tions were devoted to peace and security and the cause of social and economic development. Last September when we observed the 25th anniversary of our membership at the United Nations, our track record in the United Nations was acclaimed by all including the Secretary General of the United Nations Mr Kofi Annan. At the commemorative ceremony held in New York, Prime Minister Sheikh Hasina declared "In international relations, the United Nations has made our voice matter. For developing countries like Bangladesh, the United Nations provides a forum to highlight our concerns and further international cooperation to address our needs. The United Nations has also been the pioneer in setting global norms to advance sustainable economic, social and human development, human rights and environmental protection. We see the United Nations as an organisation we cannot do without. In this context we believe that we must have an effective and efficient United Nations, revitalised for meeting the challenges faced by humankind. Bangladesh has always been supportive of the renewal of the United Nations. We have contributed in the reform efforts of the Secretary-General and in issues relating to peacekeeping, development, women and children, human rights, participation of civil society, population and development, strengthening of the operational activities and budgetary and financial matters of the United Nations."

Article 24 of the United Nations Charter spells out the functions and powers of the Security Council. It states that "(i) In order to ensure prompt and effective action by the United Nations, its Members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Council shall act in accordance with the Purposes and Principles of the United Nations." By placing the primary responsibility of maintenance of international peace and security on the Security Council it has made this organ all important in the United Nations system. The member states that make up the Security Council therefore has to remain committed to ensure that the council does not fail in carrying out this important responsibility.

Bangladesh's commitment to peace and security is also vindicated by our active participation in UN peace-keeping operations. Today we have the honour of being the second largest troop contributing country to UN peace-keeping operations. Our officers have had the distinction to take up command

positions in the toughest conflict areas. Bangladesh has also been contributing civilian personnel in UN peace keeping operations in troubled spots such as Haiti, Kosovo and East Timor. The deployment of eight judicial officers of the Bangladesh Government to take up administrative assignments under the UNTAET auspices in East Timor is among the latest of our contribution to peace and security.

The international situation has undergone dramatic changes since the end of the Cold War. With the Cold War divide put behind, the Security Council has had to cope with resolving conflicts arising from ancient racial, ethnic and religious hatred. Among the many complex issues before the Council, it often remains engrossed with the debate to authorise humanitarian interventions in situations of grave human rights violations.

The Security Council will have to deal with many of the tensions and conflicts that will spill over into the new millennium. The situation in the Balkans has seen the worst atrocities committed against humanity continues to remain volatile. The question of the lifting of sanctions against Iraq is also a major concern of the Council. Likewise, the continued war in Afghanistan and conflicts in Africa and other regions will call for action by the Security Council.

The challenge for the Security Council in the 21st century are therefore immense and formidable. Given the uncertainty of the international situation, the UN Security Council must always be quick to respond to crisis situations. As a member of the Security Council, Bangladesh has no illusions of the heavy and onerous responsibilities that go along with the membership of this prestigious organ of the United Nations. Although a non-permanent member, our obligations to the Security Council, barring the few privileges exclusively reserved for the permanent members, will be no less.

It must be made clear that Bangladesh did not seek its membership of the UN Security Council only for the honour and prestige that comes along with the membership. Rather, it was a decision inspired by the very principles on which Bangladesh was founded. Democracy and tolerance, peace and security, respect for human rights and human dignity, and freedom from all forms of repression and discrimination. During its term in the Security Council, the Bangladesh delegation will continue to be inspired by these principles and devote its energies to the maintenance of international peace and security.

The author is Foreign Secretary, Government of Bangladesh.