

The Daily Star

Founder-Editor: Late S. M. Ali
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India's Defence Budget and SAARC Spirit

A peacetime increase in annual national defence spending by 28.2 per cent as has been announced by India is not something that one encounters too often. In fact, such a phenomenal piece of news cannot but make one sit up and wonder why on earth, contrary to the best advice of welfare economists of the world of whom India has the cream in Nobel Laureate Amartya Sen, the agenda for social sector's growth was sacrificed at the altar of a hyped national defence requirements. The all-time high defence allocation in the Indian budget for 2000-2001 cannot be explained away in terms of any serious threat perception India might have vis-a-vis Pakistan which discernably possesses smaller armed forces and armories of conventional and nuclear weapons than India does. The disparity there stands amply illustrated by the very fact that India's projected increase of 13.5 billion dollar under the single defence head equals the size of Pakistan's national budget for the last fiscal.

The attribution of the hike to the dire need for strengthening India's military intelligence net-work in the context of the glitch over Kargil sounds like a rhetorical overkill at best or an outright excuse at worst when one considers the stupendous size of the defence allocation.

It is surprising that the BJP-led government in India deemed it fit to raise the defence spending that much despite being caught in a whirlpool of mounting deficit financing largely caused by the incompetence of public sector enterprises.

India's higher defence allocation being ostensibly made on grounds of threat posed by Pakistan and other strategic considerations might prove to be counter-productive in the end; first, this is certain to impel Pakistan to increase her defence expenditure leading up to an arms race in South Asia both in terms of conventional and nuclear weaponisation programmes; secondly, there is bound to be a lessening of the sense of security among smaller nations of South Asia with a concomitant pressure felt by them to increase their defence expenditures as well; and thirdly, it could spark an arms race not merely straddling our region but going well beyond South Asia to encompass some other regional powers.

We have no hesitation in saying that the present Indian government has betrayed a certain lack of responsibility and sagacity by increasing its defence allocation on such a scale. If Pakistan cannot match such Indian expenses on defence as indeed it would be hard-put to do, then she is likely to latch on to her nuclear options with an attendant increase in the very perception of the threat that the present Indian government is touting as the reason behind the higher spending.

The supremely worrying prospect for South Asia is that the SAARC process might well be set back by the new spate of belligerence being spearheaded by a surge of self-righteous national chauvinism. Our impassioned appeal to all concerned is this: "please, by all means, save the SAARC spirit."

Prime Minister's Special TV Appearance: Has it Backfired?

It was highly unlikely to assume that she achieved the desired goals. To many, the programme appeared to be counter-productive, irrespective of the heavy and frequent clappings and ovation in appreciation of Prime Minister's remarks by the carefully chosen audience.

HON'BLE Prime Minister appeared in a television show on 25 February in a specially designed programme called 'Deshbhashir Mukhonukhi'. She faced the public on the screen and was ready to answer questions from them as well as from a specially selected panel of questioners. She had appeared in two similar programmes earlier during her regime.

The objective was noble. People got an opportunity to hear from the horse's mouth what they wanted to know about government's perception of the current situation in the country. Some got surprised at the courage of the Prime Minister to brave the risk of being asked to explain the various ills and malices faced by the people today, provided the questioners posed relevant questions. Several such questions were put and these, no doubt, caused embarrassment and even visible annoyance of the Prime Minister. In her articulation, she side-tracked some issues and pretended not to hear some questions but, in all cases, she tried utmost to defend her government's policy and actions. In her characteristic fashion, she indulged in monologues, browbeat the moderator more than once, exceeded her time limits and carried herself in a manner as if she was presiding over a meeting of her cabinet or her Party. Behind her smiles and occasional humorous comments, her authoritarian manner became amply manifest.

The Prime Minister almost at the very outset expressed sorrow that the Leader of the Opposition did not participate in the function and failed to avail of the opportunity of asking her searching questions and embarrassing her in a nationwide telecast programme. The Leader of the Opposition had earlier spurned similar offers, as she was suspicious about the impartial conduct of the program by the authorities of the state-run television turned almost into a Party propaganda machinery and to appear before an arbitrarily selected panel of questioners and audience.

To these reasons have since been added two more. She felt ill at ease to share platform with the same Prime Minister, who only recently made most vilifying and derogatory personal remarks about her on the floor of the parliament. The other reason could have been that she was unwilling to be manipulated by the same TV authorities, who only a few days ago on the Shaheed Day irritated actions against their own officers and technicians because of the latter's folly of telecasting the Leader of Opposition a few minutes more than the

Prime Minister, The Leader of the Opposition did not want further governmental wrath to be borne by any other TV officials, if they by chance showed her better than others on the screen.

As for the substantive issues raised before the Prime Minister, she was not able to reply to several of them satisfactorily and convincingly for the viewers. On one question, she even committed much disservice to the nation by raising even greater controversy by attributing Hon'ble President to acquiescence in describing the recently enacted Public Safety Act 2000



Currents and Crosscurrents

by M M Rezaul Karim

van's Money Bill. The Bangbhan's public rejoinder clearly exposed government's efforts to deceive the President and hoodwink the public. The widening gap between the Bangbhan and the Ganobhavan was the most undesir-

able casualty caused by Prime Minister's answer to this question.

The Prime Minister was unable to recall having read the repeated publications in newspapers of the many cases of encroachment of land on the river

Buriganga by the ruling party stalwarts and hoodlums. The question relating to the killing of a peaceful opposition activist from the entourage of a ruling party MP in procession was totally ignored by the Prime Minister. She raised the incident of the killing of her father and his family in a futile bid to compare and evoke sympathy.

On the question of forcible breakthrough and occupation of a Bank by one of her Party leaders she referred to a similar incident in the past. Reference to actions by past governments in order to justify the present

misdeeds marked several of her answers.

The well-documented questions on economy and finance were sidetracked and did not elicit direct answer from the Prime Minister. However, she sought to explain reasons for the downward trend of the economic and financial indicators and put the blame totally and squarely on the unprecedented floods of 1998. It was unbelievable that none asked the question nor it was presented to her about the Awami League's failure to redeem one of many election pledges to grant autonomy for the state-run radio and television. Despite her getting the lion's share of time on television, contrary to her election pledge not to show the Prime Minister on the screen, she even complained against the BTV for not granting her adequate coverage.

She repeatedly sought to advance justification for enactment of the infamous Black Law, the Public Safety Act 2000, and reiterated the promise of ensuring fairness and impartiality in its implementation. But people are aware that her words in many such cases do not match with her deeds. She continued to be critical of the judiciary over the issue of granting bail, comparing it with the 'deep freeze'. About the non-existent education policy, she said it had been formulated but not published for public consumption. Another pre-election pledge of the need for submitting Awami League MP and Ministers' statements of Assets and Income and publishing it as a White Paper, the Prime Minister assured the audience that she had obtained the statements, kept them in safe custody, virtually gave her Party MPs corruption-free certificates and completely ignored the repeated demand to publish the statements as a White Paper, as if she had not ever heard of such a question.

It is debatable whether the Prime Minister was able to achieve the objectives set before herself through this television appearance. Her principal objectives were to make use of this forum for propagating government's good deeds, justifying its misdeeds, promoting already heavily tarnished image of the Awami League, and to deride leaders, workers and programmes of the Opposition. It was highly unlikely to assume that she achieved the desired goals. To many, the programme appeared to be counter-productive, irrespective of the heavy and frequent clappings and ovation in appreciation of Prime Minister's remarks by the carefully chosen audience.

The author, a former ambassador, is a member of the BNP's advisory council.



Friday Mailbox

Who will have the last laugh?

Sir, When the judge recently pronounced the death sentence for Ershad Sikdar, the most feared mass-murderer and Mafia King looked somewhat dejected but only momentarily. Later as he came out of the courtroom, according to the daily Janakantha, he boasted to have said, "This is not the last court".

Any discerning newspaper reader who has closely followed the unfolding of the Ershad Sikdar saga since his capture last year, must have understood the underlying message: he is still confident of buying his way out of the jail as he has done in the past. At the same time, this has refocused the attention on his godfathers.

For two decades, Ershad Sikdar ruled the roost in Khulna committing one after another heinous crimes with impunity. And it could be possible because of his powerful backers that included former and sitting ministers, high government and police officials.

The nation was stunned by the newspaper revelation of the identities of those beneficiaries who backed him to the hilt in exchange for hefty donations.

Seemingly embarrassed by the revelation, the present government appointed a 3-member committee to examine the veracity of the news reports. Causing a stir in the country, the committee named 79 persons including 19 police personnel who were on Ershad's payroll.

In any other civilised country, these personnel would have been immediately placed under suspension, if not arrested forthwith.

Surprisingly, five months have elapsed since the committee submitted its report but the home ministry so far has taken no action against the said officials despite public pronouncements. What is further shocking is that these police personnel are still continuing in their respective jobs.

According to a recent news item, the report is now lying idle in the home Ministry and no action is likely because of "Uporer nirdehs", or instructions from the top.

In our country everybody knows what that means. For the sake of her own interest Prime Minister Sheikh Hasina and Home Minister Mohammad Nasim should take immediate note of the public resentment caused by their inaction and act swiftly before their credibility is further eroded.

Arshad Mahmud
Dhaka

Unocal's ambitious plan

Sir, US oil company, Unocal, has expressed its plan to export gas through pipelines to a number of large cities and set up potential gas-based industries in India (DS Feb 29). However, the Chairman of the Unocal, Mr. Roger C. Beach, while expressing his ambitious plan should have taken into account that he is referring to the use of an extremely important resource that is owned by Bangladesh, and India is a different country. Moreover, his plan is not endorsed by the PSC. Furthermore, just only the other day, our PM has categorically declared that Bangladesh may consider exporting gas only after meeting its domestic needs, including establishment of gas based industries in the country. Evidently, Mr. Beach's position greatly differs from our national policy. Therefore, I cannot but deplore his attitude of using resources of other country. Why are the foreign companies so keen on exploiting Bangladesh gas and not interested in establishing gas-based industries in the country?

K. Maudood Elahi,
Professor,
Jahangirnagar University,
Dhaka

Appropriate indeed

Sir, I would like to thank DS for publishing three photographs on the front page of Feb 16 issue showing how the ruling party abuses 'Public Safety Act' on the first day after enactment of the Public Safety Act 2000.

In this regard, I would again like to thank you for your Feb 16 editorial where you urge the government to amend PSA according to the advise of the president; side by side, urging the opposition to show utmost endurance till necessary steps for amendment are taken.

With these two items, 'The Daily Star' again proves itself to be a neutral and conscientious daily.

Syed Salahuddin Ahmed
103 Bhashani Hall, JU

Views expressed in this column are the writers' own. The Editor may or may not subscribe to those views. The Editor reserves the right to decide which letters should be published.

'Face the People'

Sir, As a layman and an avid newspaper reader, I was quite disappointed at the Prime Minister's 'Face the People' programme, and felt that nothing much would have been missed had I skipped the show. It didn't appear that a Prime Minister was responding to the topical questions put in by a respected panel of members. It was apparent that the politicians have the knack of side-tracking pertinent questions and squiggle out of tight corners.

A PM is not supposed to go into statistical details, but deal with the philosophy of approach to national issues, and aspects of governance based on clear-cut policies which are not only transparent but also implemented without discrimination. It appeared that this government can do no wrong!

Unwisely, the public-meeting agenda approach was adopted, relying heavily on alibis and past events of former regimes, and shifting the blame to others in most cases. The weaknesses of the government administrative machinery were neither admitted nor analysed, especially the implementation of the regulatory obligations, which has made life so miserable these days. Attacking the past regimes does not provide solutions. The regimes change to bring about improvement, and learn from past mistakes.

The large audience could not be allotted any time to interact and respond, as the panel members came loaded with questions. More fax and telephone queries needed attention.

Next time only the panel members need to be present - the members have enough questions for three hours.

Abul M Ahmad,
Dhaka

TOEFL dilemma

Sir, I have passed the H.S.C. examination this year and tried to sit for the TOEFL. For the purpose, I sent my registration form on November 23, 1999 by Express Mail Service for January 15, 2000 TOEFL exam. However, I failed to sit for the exam because of admission ticket. I still haven't got my ticket and therefore, failed to sit for the exam even on February 2000. I went to the USIS but they told me that they have nothing to do and suggested me to wait. When I mailed TOEFL exam conductor - 'Educational Testing Service', they also advised me to wait.

My admission in a US university has already been cancelled as I could not provide TOEFL score in due time. I fervently urge the USIS authority to ensure my admission ticket as well as to many others who like me are yet to appear in their TOEFL exam due to dearth of admission ticket.

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IMF-World Bank Restructuring and the Succession Issue

Stanley Fisher, the African-born American who is the current acting head of the organisation, was nominated by twenty sub-Saharan African countries; while Japan nominated Eisuke Sakakibara, a former vice-minister at Japan's Ministry of Finance and popularly known as "Mr. Yen" in the international community.



Connecting the Dots
Dr. A. R. Choudhury

THE top management at the IMF-World Bank headquarters in Washington are not happy with what they are hearing. The reason for their concern is the findings that are likely to be reported early next month by the International Financial Institution Advisory Commission, a US congressional commission that was established last year for preparing a report on the working of the two international institutions.

Although the commission's report is not due for at least another week, the broad thrust of its possible recommendations are already circulating among the policy makers and interested academicians in different countries. The recommendations of the commission aren't surprising given its composition. It includes such IMF critics as Jeffrey Sachs of Harvard and Charles Calomiris of the Cato Institute. Allan Meltzer, a conservative monetary economist from the Carnegie-Mellon University heads the commission.

The 11-member commission is likely to suggest that the IMF should concentrate on short-term financing to resolve crises in the middle-income countries; while the World Bank should shift their emphasis towards the poor countries and provide grants rather than loans. The commission is also expected to call for the abolition of the International Finance Corporation, the World Bank's private sector arm, and MIGA, its political insurance unit.

However, the most radical proposal concerns the overlap that the commission found between the roles of the World Bank and regional development banks. It is likely to recommend that the World Bank should pull out of Asia and Latin America, leaving the regions to the Asian Development Bank and the Inter-American Development Bank, respectively. The commission wants the World Bank to concentrate on countries in Africa, Eastern Europe and the former Soviet Union.

Regarding the IMF, the commission would recommend

rather than international finance. His expertise lies in long-term development as a senior World Bank official with almost no management experience. His critics point out that the main task for the new managing director is to take the IMF in precisely the opposite direction. Its role should not lie in fighting poverty, but in promoting macroeconomic and exchange rate stability.

After the Germans forwarded Koch-Weser's name, no other European government publicly showed any enthusiasm for his appointment. France didn't sign on, Britain was hoping that Koch-Weser and his main backer, the German government, will relent on its own. This will clear the way for former British Finance Minister Kenneth Clarke or Andrew Crockett, current head of the Bank for International Settlements, each of whom has been floated as a possible candidate. British Finance Minister Gordon Brown could probably secure the job with ease, but isn't publicly at least, a candidate. The Clinton administration was even less keen about Koch-Weser, but for diplomatic reasons wanted to leave the choice to the Europeans.

German Chancellor Schroeder had sharply stepped up his pressure in recent weeks with a warning that the German government would veto any other European candidate.

Among emerging economies, only China has so far publicly come out in favour of Koch-Weser. He has won support from Zhu Rongji, the Chinese prime minister, an old contact from his World Bank days.

Earlier this week, the contest for the job was thrown open as two non-Europeans were nominated to head the organisation. This can be viewed as a sign of growing frustration among other IMF members at the delays surrounding European efforts to find a suitable candidate.

Stanley Fisher, the African-born American who is the current acting head of the organisation, was nominated by twenty sub-Saharan African countries; while Japan nominated Eisuke Sakakibara, a

former vice-minister at Japan's Ministry of Finance and popularly known as "Mr. Yen" in the international community.

Despite having a far better credential than Koch-Weser, the nomination of Fischer would probably be opposed by the European governments, who fear US domination of the IMF.

Partly for this reason, the US is also not very keen about Fischer's candidacy. After the formal proposal of these two rival non-European candidates, there was a strong possibility that the European Union may decide to back Koch-Weser as a show of unity. This is actually what has happened when earlier this week, after months of hesitation, the European Union selected Koch-Weser as their candidate - only to have President Clinton publicly reject him as unqualified. The US position is that Koch-Weser lacks the requisite financial experience, the political dexterity to juggle the IMF's member governments, and the support of the poor countries that borrow IMF money. The US decision to oppose his nomination immediately threw the already confused IMF succession process into further disarray. It would be interesting to see how the drama plays out in the next few days.

The whole fiasco in selecting a successor to Camdessus raises a number of interesting issues. First, like the recent appointment of the director general of the World Trade Organisation and the president of the European Central Bank, the process by which the new IMF chief is being selected is in shambles. One reason for this is that, because the IMF chief has traditionally been a western European, the world has waited for Europe to choose the new leader. But there is no reason why the head of the IMF should be from the European Union, particularly given the shortage of candidates. As the IMF deals primarily with developing countries, so the competition should be made open to candidates from all IMF member - countries, not just the European nations. Qualified candidates from any member country

should be able to apply to the IMF's board, which would then vote on a new head from a short-list of capable candidates.

This would eliminate the show of parochial nationalism as evidenced in German Chancellor Schroeder's behaviour. He is pushing for Koch-Weser not on his merits, but only because he is German. The same can be said about the recent behavior of Britain and France in selecting the secretary-general of NATO and the head of the European Central Bank, respectively. Second, the recent experience from the global financial crises shows that the success of the IMF in making the world a safe place financially depends on the vision and effectiveness of the top management. So it needs a new leader who can refocus its role on macroeconomic surveillance and managing financial crises. Among the announced candidates, Sakakibara fills this role better than any of the others. His experience in managing the value of yen and guiding the Japanese economy through the periods of financial and economic turbulence testifies to his capability, experience, and skill. He would be the perfect candidate to lead the IMF in the new century. Moreover, it would give the non-western countries a strong foothold in international policy making.

It is obvious that the current IMF management and its backers in the Western countries would not be receptive to the idea of a candidate from a non-Western country to be elected the head of IMF. This would take time. But eventually they should be able to see through the rationale of this argument. It would be much better than having a bungled appointment based on diplomatic convenience. The succession question is of critical importance to the IMF and to countries that seek its loans during crises. The candidacy of Sakakibara from Japan would help open this succession debate in the coming months. Even though his candidacy may be rejected this time around, it would help promote more transparency in the selection process in future.