

The Daily Star

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IT is a debate that is going on for quite some time and seems destined to be interminable. Intermittently, the debate becomes incandescent, making newspaper headlines and editorials, as has been the case recently.

Policymaking, economic ones included, is an exercise in power. The power is inherent in individuals, collectivities, or the government depending on the jurisdiction of action. When they are able to initiate and complete the process involved in policy decisions they fulfil the conditions of being free economic agents. For the government in its role as the decision-maker this is the ideal that the economic 'fundamentalists' aspire to. But in real life, almost no one, from individuals to governments, enjoys such unlimited freedom to choose policies. Interactions among individuals, interest groups or authorities having permanent or functional relations with each other circumscribe the freedom to make decisions unilaterally. Policymaking thus invariably boils down to negotiations and compromises. It follows from this that fewer are the compromises and concessions made, greater is the autonomy in policymaking. Since a government functions in the context of a political economy (nationally and internationally) what is realistic is to identify and assess the degree of autonomy in decision making rather than look for complete freedom. It then becomes relevant and necessary to delineate the essential operational aspects of the political economy. At the risk of some simplification it can be observed that a political economy characterised by significant ownership over resources required for implementation of decisions, fewer adverse externalities of decisions and adequate input available for decision making, affords greater autonomy to the decision-maker. If a country falls short in any of these attributes of the political economy it automatically allows space for intrusion and intervention by external agency(ies).

In spite of the above common sense approach to policymaking, discussion on the subject has often turned polemical touching on raw nerves leading to acrimony. This is because of the still widely perceived idea that policymaking belongs exclusively to the realm of 'sovereign power', the prevailing political economy (national and international) notwithstanding. Any infringement of decision making through interference by external agencies is deemed to be a denial or curtailment of this power and as such calls for resistance. But it is rarely conceded that only a closed economy with command and

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Bangladesh, when it was a part of Pakistan in the past and after independence, was not self-sufficient in terms of resources required, nor did it follow an autarkic policy for the country as a whole based on a closed economy model. Though she had a brief spell of socialism of the welfare-state variety it never looked that a comprehensively centrally planned economy had taken hold. Being heavily dependent on external resources and markets, economic decision making, both before and after Bangladesh, has always been tempered and tampered with external *advice, influence* and specific *policy prescriptions* which now appear more and more in the form of *conditionalities*. Historically, a strong and perceptible move from *advice to conditionalities* through the intermediate stage of *influence* can be seen in the operational trajectory of policy making in Bangladesh. Greater has been the move away from the stage of *advice* at the left end of the spectrum to the right towards *conditionalities*, lesser has been the degree of autonomy enjoyed by national policymakers. The question is not *how* could donors appropriate the "sovereign power" of the government in economic decision making but *why* has it taken place. The answer to the question should lead to an analysis of the political economy, nationally and internationally, by which Bangladesh found itself surrounded. The problem with most of the critique of externally imposed conditionalities and domination over our national economic policy agenda is the neglect or belittling of this context in which policies have been formulated. While the criticisms of the nationalist elements are well intentioned and their motives are honest the inappropriateness of their purely "economistic" approach and misconception about "sovereign powers" in economic policy making cannot be overlooked because of their obscurantist character.

During Pakistani period, economic development was sought to take place within the framework of five-year plans detailing growth targets, investment strategies, resource mobilisation and allocations to priority sectors. It was a time when economic planning was not discredited and stigmatised by the developed capitalist world. Rather, its co-option as a tool for the acceleration of economic growth of the developing countries was found expedient. The Planning Com-

mission of Pakistan was staffed with in-house American advisers who regularly gave *advice* and also occasionally *influenced* the planning process. Their influence in policy making was buttressed by the overwhelming dependence on external resources as well as the shortage of indigenous economic planners at the initial stage. The fact that Pakistan had allied itself to the western powers in the cold war gave further leverage to the foreign "advisers" to influence economic policymaking.

of loan were not adequate for long-term growth. Bangladesh's embrace of socialism proved to be the bête noir to most of the multilateral and bilateral donors. The famine in 1974 that claimed the lives of millions was due in no small measure to the punitive policy of the then American Government that diverted food carrying ships because of Bangladesh's commercial contacts with Cuba. In the entire economic policy making sphere the role of multilateral bodies like the World Bank, IMF and the western

together a policy framework conducive to the socialist economic order. In fact, it was the convergence of a newly independent country with clear cut ideological conviction, a committed political leadership and a dedicated group of economists to help the political leadership with policy planning that gave Bangladesh its heyday of autonomous policymaking. The sudden overthrow of the government put an end to the committed leadership as well as to the efforts at building a socialist society, while the economists helping in autonomous policy planning having had already retreated to greener pastures created a vacuum. Beginning from 1975 there were not only rapid and radical policy changes reversing the character of the economy, the initiative for economic policy making also gradually slipped away from Bangladeshis. The dependence on external aid remaining as high as before and lacking in legitimacy, the military governments and subsequent martial law inspired democratic governments tamely accepted the policy prescriptions coming from the donors. One by one, policies regarding nationalisation of industries, subsidies, rationing etc. were abandoned in favour of conventional capitalist market economy. Beginning from the early 1980s policy based lending became a major vehicle of economic assistance worldwide through the stabilisation and structural adjustment programmes of the IMF and the World Bank and the non-project loans of bilateral donors. Taking advantage of the fiscal and balance of payment crisis in a large number of developing countries the Bretton Woods Institutions put together a package of structural adjustment loan along with a policy reform agenda. The policy reform agenda of the 1980s rarely included such measures as land reform or increased public expenditure to meet basic needs -- the kinds of measures most often associated with reform in previous decades.

After 1975 and during the subsequent martial law governments the whole economic edifice and policy framework based on socialism collapsed. Soon afterwards there was a complete reversal of the economic policies to wean the economy away from socialism. But even before the sea change in the political economy the foundation of autonomous decision making was undermined when the senior economists firmly wedded to socialism were lured away with lucrative posts abroad by the very external forces against whose preferences they had put

capitalist countries was "negative" at worst and "neutral" at best, which made no secret of their abhorrence for the socialist ideology espoused by Bangladesh. In spite of subtle attempts undermining the economic policy making germane to socialism by unfavourably disposed donors, Bangladesh had reasonably a greater degree of autonomy in policy making from 1972 to 1975. This is the period when no compromise was made on policies like subsidies to agriculture, land

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IN MY VIEW

Hasnat Abdul Hye



Bangladesh became independent against the wish and geopolitical strategy of countries like USA. The moral and other support received from the Russian bloc didn't make it a darling of the western bloc. It was no accident that the World Bank withheld sanctioning of new loans till Bangladesh owned up to the liability for some part of the loans given earlier to Pakistan ostensibly for use in East Pakistan. Though as a newly independent country Bangladesh was

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receiving worldwide sympathy and humanitarian aids, financial assistance to rebuild the devastated infrastructures and revive the economy as a whole was not forthcoming in required amount and with expected speed. In the event Bangladesh Government had to buckle under the pressure of the World Bank and accept the liability of loans that were purportedly meant for former East Pakistan. Thus the World Bank that emerged as the leader in imposing policy reforms later revealed its true colours as an economic heavyweight right after the birth of Bangladesh. Though aid pipelines were opened through multilateral and bilateral sources the volume and kind

reform, nationalisation of industries and expansion of the public sector for providing public goods. After 1975 and during the subsequent martial law governments the whole economic edifice and policy framework based on socialism collapsed. Soon afterwards there was a complete reversal of the economic policies to wean the economy away from socialism. But even before the sea change in the political economy the foundation of autonomous decision making was undermined when the senior economists firmly wedded to socialism were lured away with lucrative posts abroad by the very external forces against whose preferences they had put

the disappearance of "domino-effect".

The above is the starter. Since the economists never miss an opportunity of mentioning the connectivity between 'necessary' and 'sufficient' conditions, it has to be pointed out that strengthening policymaking capacity only satisfies the first. In order to pass the test of 'sufficient' condition, it is important to reduce the dependence on external aid and to have a political consensus on long-term economic strategy. A country that is confused about the end and waffles over the means can hardly enjoy autonomy in policy making, far less dictate the terms. It is the political economy, *Janab!*

Friday Mailbox

"Preaching to India?"

Sir, The letter under the heading "Preaching to India?" by Rajeev Kumar from Mumbai, India published in this column (DS, 22 December) drew my curious attention.

His estimation of us as Islamic might sound pertinent but his terming us as non-subscribing to the concept of secularism is far from reality. Although this State slashed secularism as one of its four basic principles, the whole nation is very much committed to secular sentiments. The people of all faiths are living in Bangladesh in complete communal harmony and this is writ large in all mundane aspects of life. The word minority is a dead word here in Bangladesh. If a comparison is drawn between the plight of minorities in Bangladesh and India, the latter will still demonstrate a failure in the matter of protecting the lives and interests of Muslims. In fact, Mumbai is the place where, with the alleged connivance of the state government, riots broke out taking a heavy toll of Muslim lives. Apart from Muslims, there are reports that Christians have now become the target of extremists in India. Hence, India's professed secularism is now under question before the whole world.

Secondly Rajeev Kumar appears to perceive the structure of the Babri Mosque as a symbol of Muslim invasion, and his sentiment is aggressively in favour of the demolition wrought upon the mosque. What one understands from his comments is that he regards this to have served as a means of regaining lost self-respect, even though the process razed a historic relic to the ground and Muslim lives were lost. If the Babri Mosque could be a symbol of invasion, by the same measure, India has the largest number of such symbols erected by Muslim Rulers. In this line of thought, it would not be surprising if the same fate were to befall on the Red Fort or the Shahi Masjid in Delhi or any other similar structure. Rajeev Kumar should not belittle the historical facts that the Muslim emperors ruled over India, beyond its present divided landscapes, as their own country and were laid to rest on Indian soil and both Hindu and Muslim subjects were looked upon by them without any discrimination.

Hindu zealots like Bal Thakarey, who has already declared openly his aim to establish Hindutva in India, are out to bury even a semblance of secularism that still exists in India. It is far-fetched therefore to make assertions of secularism in India when reality proves otherwise.

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An Observer
Dhaka

Sir, I regret to learn that Rajeev Kumar finds it difficult to 'digest' the sentiments expressed in your editorial. May one suggest a liberal dose of introspection.

From a conscientious member of the largest democracy of the world, one would expect more tolerance. The basic mantra of democracy, "equality, liberty and fraternity" presupposes that all men and women are created equal. How can one Indian be superior to another? Will the martyrdom of Mahatma Gandhi have gone in vain then? We would do well to remember that intolerance divided the subcontinent in the first place in 1947. The same demon murdered Mahatma Gandhi, causing India and the whole world to hang their heads in shame. Subsequently, the selfsame devil disintegrated Pakistan. Shall we allow it to raise its ugly head again and invite more misery? Let us recall the words of Voltaire, the guru of modern democracy: "I wholeheartedly disagree with what you say, but shall defend with my life, your right to say so."

It is a Himalayan blunder to assume "Indian" and "Hindu" to be synonymous. The difference has been elucidated and explained by numerous personalities, from Sir Syed Ahmed Khan to Moulana Azad to Dr Ambedkar. Yet the force of obscurantism and intolerance is inexorable.

Yes, we are proud of our record of secularism, even during the fall-out period of the Babri Mosque blunder. Can Rajeev Kumar feel equally guilty in this regard?

A Proud Citizen
Dhaka

Sir, This has the reference to the letters (DS, 22 December 2000) of Rajeev Kumar, from Mumbai and subsequent letters (24 December 2000) of Syed Rezvi and 'A Tolerant Bangladeshi', from Dhaka, respectively, about your editorial on the Indian Prime Minister's comments on the Babri Mosque. We thank The Daily Star for publishing this exchange of letters on a topic that is relevant to sensibilities prevailing in two friendly countries.

We agree broadly with the two letters from Dhaka. Having traveled widely in India, mixed

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The Policy Debate

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that was suspected to convert more and more poor developing countries into communism, the growing financial crisis of a large number of developing countries, failure to benefit from planned development, emergence of right-wing governments and continuing dependence on foreign aid.

Following the collapse and break up of the socialist bloc the international setting of the political economy changed drastically and almost overnight. Whether because of the "end of history" heralded by this change or due to the accumulated effects of the liberalisation and other reform measures pursued in the recent past, capitalism's latest and most potent form has now arrived in the form of globalisation. Riding on the back of breathtaking information technology the knowledge-based global economy has almost swept the developing countries off their feet destabilising their economies. Faced with this inexorable force of globalisation requiring integration developing countries like Bangladesh have become more and more preoccupied with crisis management. Incremental loss of autonomy in policymaking, initially due to over-dependence on foreign aid and slow rate of growth, now threatens to become substantial not least because of our lack of anticipation and preparedness. Today neither inside the government nor outside it in independent think-tanks we have the requisite research and studies that can be used as inputs for home-grown policymaking. Criticising outsiders for thinking about the future on our behalf and prescribing the road map on the basis of the same can only produce heat and dust. To be meaningful, dissatisfaction with the present state of policymaking should be translated into quiet and painstaking works undertaken as a joint enterprise of the public and private sectors and the civil society... The time to regroup the scattered forces and put the heads together for national policymaking is more than overdue.

The above is the starter. Since the economists never miss an opportunity of mentioning the connectivity between 'necessary' and 'sufficient' conditions, it has to be pointed out that strengthening policymaking capacity only satisfies the first. In order to pass the test of 'sufficient' condition, it is important to reduce the dependence on external aid and to have a political consensus on long-term economic strategy. A country that is confused about the end and waffles over the means can hardly enjoy autonomy in policy making, far less dictate the terms. It is the political economy, *Janab!*

Justice is Crime Equal to Punishment

IN Kano, Nigeria, a 10-year-old girl died of meningitis in the care of a leading pharmaceutical company of the world. The researchers for Pfizer Inc. had experimented a new drug called Trovan on this little girl until she was beyond all hopes. Similarly, a barber in Toulou, China had volunteered for a study conducted by medical researchers from Harvard University in the hope of receiving treatment for his stomach ailment, and died.

Compare these with what happens in our country to pickpockets or domestic helps for a few bucks or a missing piece of jewellery. Take, for example, how crime is often mismatched with punishment even in higher societies. A little girl got handcuffed in Washington D.C. for snacking on the subway. In Atlanta, an eleven year-old was suspended from school because she came with a wallet which had her keys tied to it by a chain (chains being banned on that school campus!). Four kindergarten kids have been suspended for pretending to shoot each other with their fingers pointed as guns. In a number of elementary schools in USA, children have been suspended for possession of nail clippers.

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How do we measure the guilt of this mischief, which killed people? How do we know if it was right to sacrifice innocent few for the greater interest of many? ... That lands us on the greatest ethical puzzle: what is justice if punishment isn't commensurate with the crime?

Is it bad to lie to a man who has lied to you? Or, kill a man who has killed others?

CROSSTALK

Mohammad Badrul Ahsan



prise Institute, he argued that there were two dramatically different mechanisms for averting and resolving conflicts. One, which he called Hidden Law, is community and informal. The other he called Bureaucratic Legalism, which provides due process for every problem. Although both have proper spheres, he said that Bureaucratic Legalism is metastasising dangerously crushing Hidden Law, which has generally sup-

ported privacy and civilised life. Hidden Law consists of unwritten social codes. According to Rauch, the breakdown of one such code -- the rule that a man had to marry a woman he got pregnant -- may be "the most far-reaching social change of our era." He cited examples to show how Bureaucratic Legalism is crowding out Hidden Law. Doctors consulting with patients or families or both have always helped hopeless sufferers die. Now society is codifying assisted suicide. There was a time in USA when Hidden Law helped regu-

late pornography. But Bureaucratic Legalism has long since elevated access to pornography to a constitutional right. Are these improvements? Rauch asked.

No matter how one tries to answer Rauch's question, one is likely to sink in the moral swamp of hypocrisy, where people grow eclectic with their sense of ethics in desperate struggle to negotiate conscience with convenience. What ensues from that struggle is a discrepancy between inner righteousness and external regulation, a moral dilemma syncopated by ethical fallacy, which creates its own list

of preferential ethics. If your servant steals from your wallet, he or she will be yanked to jail, if not to death. But nothing happens to a bureaucrat or politician who takes bribe or siphons off millions from the exchequer of the country. When one student is caught copying, he gets expelled. But nothing happens to an entire institution, which promotes cheating as though it is part of the curriculum.

Rauch cautions against that diminishing return of punishment. While moral disputes and collisions of clashing sensibili-

ties are incessant in a dense and diverse society, civilised life depends on informal rules and measures. Unless the citizens learn to hate spitting on the street, it cannot be effective as a law to punish them for spitting, particularly when that law isn't uniformly enforced. Several years ago Singapore caned an American teenager for spraying paints on cars in order to uphold that uniformity. If common sense is the mother of all wisdom, then customs become laws by sanctioning it and laws become customs through its sublimation.

Thus, if excess of law is oppressive, moral vacuum is opprobrious. It means there cannot be strong ethics without strict laws and vice versa. The young girl in Nigeria and the boorish barber in China died because self-seeking ethics coincided with laxity of law. As a result, the legal authority looked shallow without moral sanctions, and the moral authority rang hollow for want of legal endorsement.

Each day we are confronted with this contradiction as crime and punishment don't cope with each other. Is it fair? Is it fair to catch the small fries, while the coelacanths slip through the net? Never mind what is good or bad if we cannot get that straight. If people can earn money by unlawful means, how is it wrong to steal from them? Is it bad to lie to a man who has lied to you? Or, kill a man who has killed others?

The answer is that we should not take the law in our own hands. Once again, Bureaucratic Legalism prevents us from implementing Hidden Law. Thus what's right can get side-tracked because it doesn't follow the procedure. Again, the procedure can distort justice if it isn't consistent. That is dangerous for both the victim and the victimiser, the oppressor and the oppressed, and the conqueror because it transforms justice into a means, not an end. When that is true, justice is reduced to crime and punishment under itself.