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Economic diplomacy still a cacophony

A recipe for action suggested

OREIGN Minister M Morshed Khan has stressed not just the need for but also the primacy of economic diplomacy in the foreign affairs management paradigm of today. It is for the umpteenth time that a foreign minister of Bangladesh has done it.

As far as the incumbent foreign minister goes, we recall once he headed a committee that was assigned the task of recommending measures to fine-tune the foreign ministry to the imperatives of meeting contemporary challenges.

It's a flash-back to almost a decade ago and the focal point of his recommendations was economic diplomacy to the best of our knowledge. But, during the 1991-1996 BNP rule our foreign affairs priorities more or less remained confined to the conventional domain of political diplomacy, our breaking new grounds in terms of export diversification notwithstanding. The following AL rule between 1996-2001 saw foreign minister Abdus Samad Azad emphasising the obvious again: the foreign ministry and its missions abroad must vigorously take a role complementary to domestic economic development efforts. For, in the changed international power relations scenario it is the economic strength of a country that gives it clout and operational freedom in other areas.

The purpose is not to compare the foreign policy achievements of the 1991-96 BNP government with those of the 1996-2001 AL government. Basically, what we are trying to highlight here is the fact that if anything has been most volubly talked about and yet given the worst kind of lipservice for the last decade of democracy then it must be economic diplomacy. What a shame! Economic diplomacy, little wonder, has become an entirely worn-out cliché because it remains to be put to use in any tangible way.

We have a genius for coining terms or holding on to catchy phrases every now and then without any sense of what it takes to implement the concepts they convey. Resultantly, we rest content with having stated it after all and then developing a laid-back attitude to it downstream.

Let's venture a recipe for unshackling economic diplomacy from the cocoon of words and seeing in real life situations. The approach so far has been to pontificate the outlying missions from the foreign office headquarters in Dhaka. This has not worked; it won't either, especially when it comes to shoring up the fragile economic functioning of our embassies and high commissions overseas.

The success of the economic, commercial, labour or for that matter, press wings of our missions abroad critically hinges on the support system extended to them from the national capital. The economic wings in particular have to interact with finance, commerce, trade, and ERD ministries/divisions. The lack of coordination between the line and front ministries on the one hand and that on the intra-ministerial levels has had a telling impact on attempts to break new export grounds or procure investments.

Needless to say, non-communication, gaps in communication or miscommunication are routine predicaments for our specialised wings abroad. Forget clearance of files or arrival at decisions on proposals, queries made from outlying stations on investment, export, import, and what have you, either go unattended at the ministries at home or replies are communicated far too late to be of any practical use. Yes, the missions on their part do not handle the queries from our private sector entrepreneurs or exporters any more efficiently. The basic fault lies with the cumbersome channels of communication straddling various ministries. The buck stops nowhere and everybody is just frisking it over the shoulder of others and resting still on the oars of inaction.

Our line of thinking, therefore, is that the home-base, the home-front must be organised first to ask anything special from the outposts abroad. They must provide necessary assistance to the missions and their supposed-to-be specialised wings to expect results.

Those who are posted to the outfits may have had an economic background; but in truth, how much accustomed to, far less adept, are they in the art of diplomacy? That's where training comes and is so critically important at this point. It has to be imparted to them so that they acquire the needed skill, something which is entirely different from what they had absorbed from their local postings. Language skill in the host country is crucial, which again is lacking in the lateral entrants.

All forms of diplomacy, the economic variety in particular, demands imaginative and energetic public relationing. There should be a budget allocated to officers of economic wings for internal travelling and entertaining prospective importers and investors. We have to delegate powers to them and give them freedom of action along the lines that other successful foreign missions grant to their functionaries.

Unless such fundamental pre-requisites are fulfilled economic diplomacy will be all talk signifying nothing.

Sisters-in-arms



HASNAT ABDUL HYE

O news is happy news now-a-days when it involves the World Bank and the IMF, it appears. Ever since the Bretton Woods sisters started moving in lock step to hector the debtor countries nothing but controversy has swirled around them. Every time prescriptions for reform are pushed down the throat of a hapless client, they court criticism with studied non-chalance. Heedless to the groans and jitters coming thick and fast in their wake, they chant the frazzled mantra of structural adjustment with a new acro-

Predictably enough, the joint mission of the Bank and the Fund now reviewing the Financial Sector Assessment Programme (FSAP) has tasted hot water. Reviewing the latest situation of the banking system and other areas of the financial sector including monetary policy, capital market and insurance companies, the mission did not wallow for a moment in an appreciative mode. It was critical of the weakness of the central bank and its policy, procedures and institutional capacity. Nothing short of an independent central bank would satisfy them. Only a bank with such status and authority can formulate monetary policy free from political interference, they believe. To ensure this they have recommended the appointment of

by the Jatiya Sangsad. Pat came the reply from the Finance Minister who pointed out that the central bank had not exerted even the power that it enjoys at the moment and instead consults the Finance Ministry whenever faced with a problem. The idea of appointing Bangladesh Bank Governor by the parliament is patently absurd and was pointed out as such. He was also quick to remind the mission the press that inde-

and the Fund are remiss when they overlook this fact. The issue of institutional capacity is germane to this. The present institutional capacity, both in terms of staff and their expertise, is inadequate even for routine inspection and supervision of the banking system. To address the various facets of monetary policy will require a higher degree of competence and skills. It is reported that the IMF staff based in Dhaka often encroach into the central bank's

viability of some banks, groaning under the burden of unserviceable loans, emphasis may have to be placed on merger. It is not known if the joint mission has any such proposal and a blue print for the same. Without being one-sided it should be realised that some private banks have also become 'sick', just like NCBs, though the degree of sickness may vary. By changing hands branches of NCBs will not suddenly become robust.

The Mission has expressed

amount vice versa. This should be equitable for savers of limited income as well as economical for the banks. On the other hand, big savers will still be interested to invest in these saving instruments considering opportunity

Default of loan continues to be the most critical problem in the financial sector. It is the cause for high rate of interest charged to investors. Good borrowers continue to pay for the delinquency of



The sisters should either revert back to the old agenda of giving loan on the basis of need and merit of the projects or adopt a user-friendly approach. Bangladesh may have a few problems of governance and economic management but these are being addressed and not kept on hold. Moreover, the country is not a defaulting client and has a clean record of regularly repaying loans taken from multilateral and other sources. Nor are we a heavily indebted poor country (HIPC) clamoring for debt forgiveness.

pendence of Bangladesh Bank cannot be at the same level as that in developed countries. He is right about the lack of will on the part of the central bank to exercise powers inherent to it.

But this may be the result of using the central bank as an adjunct of the Finance Ministry in the past. This has been particularly so whenever need arose for bank financing of public debt. The exigencies of credit default may also have eroded Bangladesh Bank's autonomy incrementally over the years under different governments. That said, it must be admitted that Bangladesh Bank cannot enjoy the same independence as Bank of Japan or the Federal Reserve. Our central bank has a regulatory as well as a developmental role, a twining of functions not imperative in developed countries. The Bank

policy-making bailiwick taking advantage of vacuum. If the Bank-Fund is serious about independence and institutional capacity of Bangladesh Bank, capacity building should receive their highest priority instead of routine pronouncements and criticisms in this

The Bank-Fund mission has also been critical of the Nationalised Commercial Banks (NCB) and recommended the closure of their branches or their taking over by private sector banks. They should be clear about their goal in this area. Are they in favour of this reform because the NCB branches are unprofitable and inefficient or is it part of the privatisation policy? If it is the latter the strategy should be privatisation of a whole NCB from head office to branches and not its bits and pieces. Considering the

dissatisfaction at the high rate of return on savings certificate. They must be knowing that the return in this saving instrument has already been slashed downward and the number of instruments have also been reduced leaving little scope for further actions in the near future. These instruments have traditionally mobilised savings and have been a source of dependable income by the savers. Drastic reduction of interest rate across the board will not only act as disincentives to save but will also inflict hardship on the middle class. However, the savers can be differentiated according to the volume (amount) of saving and differential interest rates can be assigned to specific chunks of savings. According to this furmula savers of smaller amount may get a higher rate of return and the savers of bigger

'wilful' defaulters. But even genuine defaulters cannot be helped much because of the risk of moral hazard. There is no other way but to be cruel in order to be kind. Apart from castigating for the lack of a welldefined credit culture the Bank-Fund mission has not said anything about how to improve the situation. At least that is what appears looking at the newspaper report. There are run-of the mill observations about problems in the legal system, distortions in the financial sector and autonomy of central bank. There is even a reference to 'social outlook' adding to the generality of the report. The emphasis seems to be more on number of reform measures, however nebulously formulated, rather than on quality. There is also no hierarchy of priority actions, giving the impression that all reforms are expected to

commence simultaneously irrespective of their feasibility and timeliness. Many of the recommendations by the Bank and the Fund foundered in the past because of lack of pragmatism in the selection of reform measures and their timeframe. Instead of jump-starting on all fronts there should be kickstarting on the basis of a few critical levers that can trigger off chain reaction in the sector that has been targetted. This requires patience and painstaking efforts. But the Bretten Wood sisters seem to be in a hurry, anxious to call the shots. This is done not only through ignorance but also arrogance. The insensitivities brought to bear on such periodic negotiations stand in the way of mutual understanding and coordinated action.

The sisters should either revert back to the old agenda of giving loan on the basis of need and merit of the projects or adopt a userfriendly approach. Bangladesh may have a few problems of governance and economic management but these are being addressed and not kept on hold. Moreover, the country is not a defaulting client and has a clean record of regularly repaying loans taken from multilateral and other sources. Nor are we a heavily indebted poor country (HIPC) clamoring for debt forgiveness. There is also no need to think that improvement in governance and management has always to come first and economic development later. It has not been rare in history when engine of growth pulled together institutions and sectors including governance and economic management. The problem lies not in the landscape of possibilities but in the blinkered

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The pickle of life



The sun had climbed to the midsky and the air was filled with dust as the old woman hurtled down an earthen road meandering through waist-high paddy-plants. A gentle breeze capered through the paddies, which fluttered like a stretch of green fabric around her. Once again a sense of desolation gripped her soul as she said to herself that nobody came to the bus stop for a woman whose hus-

band didn't care to wait for her.

flight of sparrows somersaulted in the air like jet planes doing loopthe-loop, nosediving first, then tangentially flying over the The old woman started to mutter verses from the Holy Koran as she approached the Banvan tree etched on the horizon. Her grandmother had told her when she was a child that a wicked ghost lived there, which abducted children who didn't take afternoon

The old woman trudged along rest of the way before she arrived in the courtyard of a house, girdled by mango and coconut trees and a bamboo clump. The clanking noise of someone pressing the handle of the deep tube-well assured her that the house was still inhabited by people, and was not a haunted

She knelt before a round aluminum dish in the middle of the courtyard and picked up a sliver of pickled mango left in the sun. While squishing it between her teeth and

to unload her burden. As she returned covering her head with the end of her sari, she carried a wicker stool in her hand. The old woman sat on the stool and asked for a glass of water.

woman and rushed into the kitchen

When the men and children returned, they touched her feet one by one as though she was the effigy of a domestic goddess who was mounted at the entrance of the house. Her husband would have been sitting in her place to receive that respect as the oldest member

CROSS TALK

When she woke up, the better part of the day was gone and the golden lustre of a shiny sunny sky had taken on the

melancholy of gray. She walked to the deep tube-well in the bamboo clump for ablution and looked up through the

weave of bamboo leaves as if whatever was gone from her life was hidden in the sky. Her children were living abroad

under the shelter of the same sky in another part of the world! People around her have vanished all the time like stars

loved to eat fresh spawns of fish with minced eggplant straight from The old woman heaved a deep

sigh as though she had just uncorked a pressurized bottle. One the younger women spoke before an uneasy silence congealed in the air. She said her brother used to sit for his meals with a stick on his side to shoo away cats and dogs. Those animals were sign of good luck; they seldom entered the house if he weren't there. The mute animals

wasted, aged and unattractive, a living breathing wreckage of life left behind to resent her own misfortune, shorn of everything she had once possessed, her husband, children, parents, friends and acquaintances. When she woke up, the better

part of the day was gone and the golden lustre of a shiny sunny sky had taken on the melancholy of gray. She walked to the deep tubewell in the bamboo clump for ablution and looked up through the weave of bamboo leaves as if whatever was gone from her life was hidden in the sky. Her children were living abroad under the shelter of the same sky in another part of the world! People around her have vanished all the time like stars in the morning sky!

Other members of the family wanted to join her, but she went alone. Two fields away from the bamboo clump was the family graveyard where the ground swelled and sank from place to place. She stood in front of a grave fenced by bamboo slits, its elevation flattened by time and rain. The date tree she had planted was tall and clustered, its branches spread out to bring shade over the grave The old woman held her hands together and prayed for the departed soul, while tears welled up in her eves as she wished that the ghost from the Banyan tree had taken her to the world where her husband lived.

Mohammad Badrul Ahsan is a banker

paddyfileds to take off again in the formation of the strings of a harp.

in the morning sky!

She scurried under the Banyan

tree as if she wanted to cross it with

a single leap, her body trembling

with an unknown fear, while she

experienced something like hot

flashes inside her body, her hairs

standing erect on end. Ever since

she got married, she never came to

this village alone and always held

her husband's hand before going

under this Banyan tree. She felt as

though he had walked with her all

the way and left her right before she

was ready to cross that tree. Why

would ghosts spare a woman who

was forsaken by her own husband?

She asked herself.



MOHAMMAD BADRUL AHSAN

HE old woman stepped down from the bus thinking of her husband. She picked up the bag, which was left on the shoulder of the road by the bus conductor, and bustled her bulk around with the air of someone, who was cheated by her companion. She felt miserable as though her husband was riding with her in that bus and got off all of a sudden without telling her.

The village at noon had the silence of a graveyard. The men were at work in the village bazaar and the women were busy in their kitchens, while children sat in the classrooms of a primary school on the eastern fringe of the village. A drawing a breath spiked with its sour and spicy smell, she thought how her own fate could be compared to that pickle, since each was the ludicrous preservation of what was beyond its time. She thought of her husband again and realized that there was time for fruits as there was time for people, and

nothing lasted forever. A woman slouched to the courtyard, her body curved to nestle the earthen pot she was holding on her side. Her sari was wet below the waist and water was still dripping from the bottom of the pot. She smiled as soon as she saw the old

of the family if he had accompanied her today, while she would have busied herself in the kitchen with other women in the house. This one man had upset her life like a garden in the storm.

At lunch the family sat on mats spread out on the verandah and the oldest man amongst them repeatedly said to the old woman that he would have sent for chicken or a big fish if he only knew she was coming. He ordered his sons to throw nets in the pond in the afternoon and catch some fish for dinner. The man then said in a voice choked with tears that his brother always

had the uncanny power to sense the goodness of a man's heart, she added before passing the vegetable dish to her sister-in-law.

After lunch, the entire house slipped under a pall of silence. The old woman said her prayers, and then counted the rosary beads in the trance of siesta. She remembered her husband with every bead she struck with the tip of her thumb. as the imageries of the past from the first meeting with the young man chosen by her parents to the last day with him, rotated before her eyes. How she was alive as an abandoned woman, lonely,

tutive but only declaratory yet essen-

tial for the personality completion of a

legal entity enabling it to enter into

relation with other states. In the case

of Chechnya her international per-

sonality never took complete shape

due to Russian intervention and the

Massacre in Moscow

KAZI ANWARUL MASUD

OSCOW hostage crisis has finally ended -- on a note of controversy centring around the gas used to force entry into the besieged theatre. Out of 750 hostages more than a hundred lives were lost. A senior aide to the Chechen

President had condemned the actions of the radical querilla faction. British condemnation of the Moscow hostage crisis was swift and unequivocal. Jack Straw's statement (of 24th October) described hostage taking as a terrible act of terrorism" and expressed " full support" to the government of the Russian Federation " in all necessary steps that they will take in order to bring this situation to what we hope and pray will be a peaceful conclusion". He saw no justification "whatever in terrorism. Terrorism actually undermines the cause in which it is alleged to be taken and in addition to that of course denying the human rights completely to those who are victims of terrorism". Tony Blair sent a similar message of support to President Putin. President Bush put the total blame on the Chechen rebels for the tragedy and expressed full support to

By this act of terrorism Russians were once again faced with the Chechen problem on their doorstep and the world was reminded anew

that the reach of the terrorists could penetrate any walls if the terrorists are prepared to die for their "cause". Chechen cause is for their inde-

pendence from Russia though the 1997 Peace Treaty offered the Chechens almost complete autonomy within the Russian Federation; rejection of use of force or threat of use of force; Russian economic aid but no secession. The Treaty was shaken to its core by incidents of terrorist bombings in three Russian cities in August 1999 blamed on Islamic terrorists from Chechnya by the Russian authorities. Russian retaliation was savage and by the time fighting ended in February 2000 Grozny, the capital of Chechnya, was in ruins.

Total landmass of Chechnya is one tenth of Bangladesh and its population is less than that of Dhaka which again is now vastly reduced due to war, destruction and exodus. The Chechens are Sunni Muslims and their written language was scripted in Arabic till it was replaced by Latin alphabets in the 1920s. Islam remained an identity for the Chechens and also a cause for resistance to the Russian rule. Early on Chechens forged economic ties with the Russians but resisted political domination by the Tsars. Finally in 1859 the Russian Empire annexed Chechnya. Stalin accused them of collaborating with the Nazis and deported the Chechens to central Asia. They were allowed to

return from their exile in the middle of last century. The disintegration of the Soviet Union encouraged Chechnya to declare independence, which remained unrecognized by Russia and the rest of the world.

Geographically too small with minuscule population, Chechens constitute the largest ethnic group, about half of the population(862000), the rest being Russians principles: self-determination; respect of borders; support for democracy ;safeguarding human rights; and respect for international law. He clearly spelt out that selfdetermination would be " for the Soviet peoples to determine themselves, peacefully and consistent with democratic values and practices and principles of the Helsinki

What the Chechens are asking

strike anywhere in the world. Ignoring them is not an option". His arguments are incontestable as are the intents

expressed by Chris Patten on behalf of the EU. One only hopes that in the porosity of Western alignment the needy

Christian majority island. UNGA condemned the French machination as "a violation of the national unity, integrity and sovereignty of the independent Republic of the Comoros". French argument that frontiers of non-self governing territories were not immutable was not accepted by the UNGA.

Essentially France appeared to have distinguished that particular islanders' wish to remain a part of

Existence of a " government representing the whole people" is seminal to the concept of territorial integrity which is inviolable under article 2(4) of the UN Charter.

Problem arises in determining the "representative" character of the government. Clearly apartheid South Africa and Rhodesia were not representative of the whole people and hence were not eligible for protection as an international per-

US principles laid down by James Baker. Chechnya case, therefore, excesses of the Russian forces notwithstanding, became a failed revolt now grotesquely afflicted by polycentric nuclei of terrorism. Whatever may be the tenability British Foreign Office Minister Mike O'Brien said "Today we face a world where we cannot ignore failed or failing states. We know from experience that they will spread instability to their neighbours and harbour terrorists that can

rating of the Chechnya case, the Islamic world would be better advised to be vigilant not only because of the attacks on Muslims and Islamic institutions but due to the unwelcome focus on some Muslim countries as suspected abodes of terrorists. On 23rd October Chris Patten, EU Commissioner for External Affairs told the European Parliament of EU's identification of pilot countries and countries of high importance in the fight against terrorism -- in Central Asia, South and South East Asia and the Gulf inescapably mostly Muslim countries. Stating that EU is a massive provider of development assistance (accounting for more than half of total international assistance, two-thirds of which is grant) he warned that EU is "systematically evaluating our relationship with Third Countries in the light of the support those countries might give to terrorism". He

spoke of global Orwellianism as the surest way to deny terrorism to feast on its diet of disaster but such Orwellianism would be a detestable assault on open societies and liberal democracies constantly opening up new frontiers of excellence.

While fight against Al-Qaida and other terrorists must continue unabated even if the collateral damages sometimes appear to be excessive; one wonders whether the areas designated by Chris Patten which clearly need help are indicative list of failing and failed states in which preemptive intervention to the discomfort of the Europeans as an integral element of the US National Security Strategy could become a real possibility. It may be pertinent to quote a few lines from a recent speech of British Foreign Office Minister Mike O'Brien. He said "Today we face a world where we cannot ignore failed or failing states. We know from experience that they will spread instability to their neighbours and harbour terrorists that can strike anywhere in the world. Ignoring them is not an option". His arguments are incontestable as are the intents expressed by Chris Patten on behalf of the EU. One only hopes that in the porosity of Western alignment the needy does not end up as the victim of fallible arbitrariness of the saviour.

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and Ingush. Despite the collapse of the Soviet Empire the Western countries insisted on selfdetermination through the exercise of popular sovereignty. European Union set out conditions for recognition of the newly emerging states through its Declaration of Guidelines for Recognition on 16 December 1991.

James Baker, then US Secretary State declared in September 1991 that the US policy with respect to political changes in the Soviet Union would be governed by five territorial integrity enshrined in the Covenant of the League of Nations and in the Charter of the United Nations. Had the Chechens opted for non-guerilla methods they could have perhaps argued their case citing the example of the Comoros Archipelago where only one island is Christian majority while the rest practise Islam. In a plebiscite all the islanders except the one peopled by Christians voted for independence from France. France acceded to the independence vote excluding the

for is secession, an antithesis of

does not end up as the victim of fallible arbitrariness of the saviour.

were Christians and that it was a part of non-self governing territory. Chechnya, predominantly Muslim as opposed to non-Muslim Russia and being a constituent republic of the Soviet Union where these republics exercised very little real power was somewhat similar to Mayotte -- the Christian majority island of the Comoros. But not being a former colony Chechnya would have fallen foul of OAU orthodoxy that only former colonies were

France on religious ground that they

not fit this bill particularly in view of the 1997 Yeltsin-Maskhadov (President of Chechnya) Peace Treaty. Besides Chechnya's UDI was not regarded as defensible under the "oppression theory", unsuccessfully advocated by Biafra in its efforts to secede from Nigeria, nor was comparable to the recognition given to the Baltic States which were forcibly annexed by the Soviet Union -- the annexation not being recognized by

sonality. Evidently Chechnya could

Recognition of states is not consti-