

Crisis in power sector

We need a singular policy on private investment

THE already neglected power sector of the country seems to be facing a grimmer future thanks to inconsistent policy shifts by the government. As it is the power sector has not been able to develop to the extent of meeting the demand of the time, the poor response from the investors recently in setting up more plants makes us even more worried. Load shedding, frequent power cuts even in winter have become a normal scenario; these days almost all factories, hotels, even residential homes possess generators as alternative. We have heard of many initiatives by the government to improve the situation, but a crisis that has stretched for many many years still looms large over us. Demand is increasing year after year, but there is no news of new plants being set up.

What is even more worrying is the lack of interest from the private investors. We fail to understand why the government had to shift its policy on private investment in power sectors when negotiations on two of the major recent projects, Haripur and Meghnaghat, proved successful? In one of the many changes in policy, Power Development Board (PDB) would hold forty percent of equity of a project compared to ten percent in the past. As a result private investors have begun to shy away putting the authority in even a more critical juncture. Though putting up a brave face would not be unexpected from the authority, the fact remains that there has been only one bidder so far for one of the new plants.

Why can't the authority make good use of successes in the past instead of experimenting with new policies? We want to know in which direction the government is heading in the case of power sector? There has to be a singular policy in a sector as important as this one. Though the government is planning to implement some projects by itself, we feel that ignoring the private investors in this sector would only bring more misery for the people. The growth in the power sector was also hampered by zero grants for years from the donors for many reasons. We believe the risk of their losing interest would increase if the government doesn't come up with a policy that could benefit both the sides.

UN inspectors in Iraq

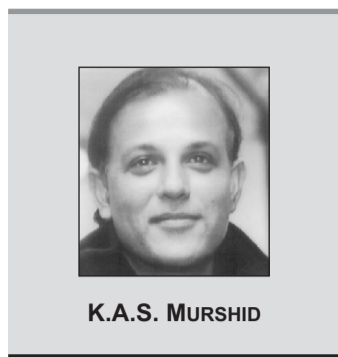
It's time for maximum restraint

WITH the world waiting in abated breath, UN experts today begin the first checks on suspect Iraqi arms sites in nearly four years. The chief weapons inspector has already warned that Baghdad will have to offer strong evidence to support its claim that it has no weapon of mass destruction -- nuclear, chemical or else. Eleven inspectors from the UN Monitoring, Verification and Inspection Commission (UNMOVIC) and six from the International Atomic Energy Agency (IAEA), according to the UN, went straight into a working meeting in Baghdad yesterday and were to meet later in the day Iraqi counterparts from the National Monitoring Directorate. Overall, after days of uncertainty and rife speculations of United States-led large-scale military operations against the regime of President Saddam Hussein, arms inspection of Iraqi arsenal has finally been set in motion.

UN Security Council resolution 1441 gives the inspectors unprecedented powers to search Iraqi sites and question Iraqi scientists about President Saddam's arms programmes. The resolution has brought even the presidential palace in the inspection purview. Theoretically, if Iraq has any programme for weapons of mass destruction, the inspectors, who would be something between 80 and 100 in number by yearend, should detect it in the course of time. In reality, however, they would need maximum support from the Iraqi government to make that happen. One can only wish that the Saddam regime would not try to pull off a fast one on the inspectors and by implication the international community. Should it dare, the consequence would be dire indeed.

While Iraq needs to be sincere in its promise to extend complete cooperation to the arms inspectors, the United States ought to exercise maximum restraint. Washington, from what one can gather from massive mobilisation of the US forces in the Gulf and repeated warning from President George W Bush of war on the Saddam regime, appears in the wait for the first slip Baghdad makes to wage a full-scale war. The Bush administration should cool their heels a little and let the arms inspectors work according to their own plan and pace. It ought to realise a war now in the Middle East can spiral out of control to a point where the US itself would not have any other option but regret.

The Asian Highway: Now you see it, now you don't



K.A.S. MURSHID

THE concept of an Asian Highway is nothing new. In fact Professor Rehman Sobhan in his book *Rediscovering the Southern Silk Route* provides a fascinating account of the old world overland trade, showing that even during the reign of Emperor Asoka, there was trade between what is now Bangladesh and the Chinese province of Yunan through Myanmar. Indeed, Asoka himself traveled on this road to go to Yunan where he apparently married a Chinese princess -- and their descendants ruled Yunan, it seems, at least until around 950 AD. As Professor Sobhan states: "... the Asian Highway was already a living reality, long before the colonial era, serving the movement of people and commerce across Asia and even possibly establishing spiritual as well as dynastic links between the Empire of Asoka and Yunan". The British built upon this existing infrastructure to link up the colonies with the colonial cities of Rangoon, Calcutta and Bombay, and further beyond to the metropolitan centres of Europe.

The newly emerged post-colonial states in South Asia squandered this historical legacy, largely for political reasons. Today, trade even amongst South Asian countries often have to be routed through Singapore and Dubai, for example, instead of using the now fragmented transport systems of old that have become obstacles rather than facilitators of regional trade.

Rationale

There are essentially two kinds of views on the AHN. A common view is that it is a huge project that involves billions of dollars of investments in building the infrastructure

to meet certain grades and standards and the institutions that will facilitate inter-country flow of freight and passengers. This view focuses on the magnitude and the enormity of the task, and by implication asks a very critical question. Is this venture economically viable? The concern here is that trade amongst Asian countries in general, and between say Bangladesh and SE/E Asia on the other, remains extremely underdeveloped and would hardly justify a substantial investment in regional road infrastructure.

Professor Sobhan however,

upgrading gravel roads and bridging some rivers currently being served by ferries.

Most of the AH sections in Myanmar were reported to be metalled except for the section that links up with NE India. In fact by 2000, both the Indian and the Burmese governments were supposed to have undertaken development works to upgrade all the link roads on either side of the border. If this has in fact been done then traffic along the AH within Myanmar from the Thai border at Myawady to the Indian border at Tamu can move

system, especially in the face of rapid economic expansion as witnessed not only in SE/E Asia but also in South Asia in recent years. Thus benefits of the AHP would include reduced transport costs, reduced time and inventory costs, increased reliability of deliveries, increased accessibility, increased mobility, attracting more investment, attracting more tourists, and so on. In other words, a good regional transport network is a prerequisite for effective participation in global supply chains and the development of sub-regional growth

now exists a sizeable middle class of perhaps between 20-30 million people, and would therefore serve to evoke some interest from the region.

SECOND: Bangladesh stands to benefit immensely from certain services sectors, namely transport, shipping, insurance and banking if it plays its cards well. We should recognize that we are surrounded by land-locked areas and countries: NE India, Nepal, Bhutan, parts of Myanmar and even Yunan. All of these areas would find it economically profitable for us to route a very

There are both push and pull factors that operate to create a situation where we remain confused and somewhat uncertain about the way forward. There remain considerable irritants between India (including its NE) and Bangladesh, as well as Bangladesh and Myanmar, and these have to be politically resolved. In addition, there must be a genuine commitment to regional cooperation and integration -- which basically means opening up each other's markets, networks and infrastructure.

These are potentially areas fraught with various sensitivities relating to perceptions and concerns regarding illegal migrants, insurgents and refugees. While the AH is a powerful idea its reality is still overshadowed by a politics that is hardly conducive to globalization and regional integration.

Let me end this paper on a somewhat different note:

The name of Bangladesh is increasingly being linked up with international terrorist organizations. Everything must be done to ensure that this type of speculation is scotched. I do not for one moment suggest that those who allude to the possible use of our territory by terrorists should be gagged or punished. The possibility that there may be terrorists hiding in the country cannot be dismissed out of hand. After all, there is little doubt that there are terrorists even in the USA. The point is that we do not provide a safe haven here for terrorists of any kind, in the same way that the US does not. Every effort must be made to underscore this point. Indeed, we need to go even further and aggressively investigate, seek out and respond appropriately to any report or rumour of terrorist activities that may be going on without our knowledge. A plea of ignorance, let us remind ourselves, will not help. We cannot allow our reputation as a moderate state to go up in smoke. Too much is at stake here, including the potential for regional economic cooperation, cross-border and international movement and the AH, for us not to take this matter utterly seriously.

Dr K A S Murshid is an economist and Research Director, BIDS.

BETWEEN YOURSELF AND ME

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presents an alternative, and in my opinion, a rather forceful case for the AH. According to this view there is already a sunk cost in terms of the road infrastructure that each regional country has already undertaken, and therefore the major task now is not so much in terms of the magnitude of investments needed -- this has already been largely made even if quality and standards frequently leave much to be desired -- but in terms of getting the political will together to forge ahead with this idea.

The Bangladesh-Myanmar-NE India Asian Highway links

The area sometimes referred to as BYIMT (i.e. Bangladesh, Yunan, India, Myanmar and Thailand) is already interconnected through a road network so that in principle, people and goods can in fact move from Bangkok to Bombay, even if there are some missing links at some points. The AH routes in these countries are served by paved, bituminised or metalled roads. In some places the roads may need to be widened into double lanes. It is only in Myanmar that some extra work may need to be done, i.e. by

along a bituminised all-weather road. The route between the Myanmar border and Bangladesh runs through Moreh and Imphal in Manipur to Silchar and Karimganj in Assam and then links up with Sylhet. The route from Karimganj to Sylhet is said to require upgrading.

Bangladesh has always been interested in having an additional, direct route southwards from Chittagong to Teknaf and then on to the Rakhine State in Myanmar. Bangladesh hopes to link up through this route to the AH route between Yangon and Mandalay. Myanmar is reported to be constructing the Yangon Sittwe road that links with Rakhine State, although it is not part of the AH section. Similarly, a road link was also to have been constructed between Sittwe and Maungdaw on the Bangladesh border. If all these links are completed it would give Bangladesh direct access to Yangon and beyond. What now seems to be needed is a bridge over the Naf River.

Basic economic rationale of the AH

The logic of globalization demands an efficient and reliable transport

zones. The question of course arises that although the benefits of AH are many and even self-evident in general terms, there is no reason to assume that these will automatically translate itself into major benefits for Bangladesh. Roads and rail systems are of benefit only if these are able to generate sufficient traffic and freight volume, and that depends essentially on two things: the resource potential of the hinterland and the pace of growth, on the one hand and the potential for inter-regional trade, on the other.

Now a number of areas within the region have huge untapped potential and/or are experiencing high rates of growth. In particular, NE India and Myanmar have huge untapped resources; Thailand continues to grow rapidly and is actively looking around to expand its market -- and thus cautiously looking at South Asia, while Yunan has huge resources and is also experiencing rapid growth. Closer to home, mainland India too has been expanding at an impressive rate. Under the circumstances, why should anyone be interested in Bangladesh?

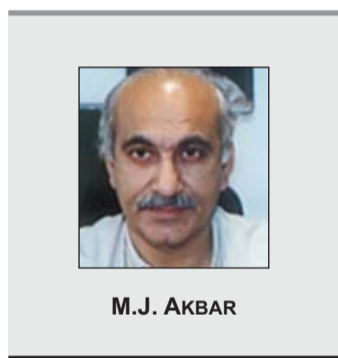
FIRST: The domestic market in Bangladesh is not that small. There

significant part of their trade via Chittagong port, for example. Thus, a state of the art, modern port with adequate capacity could play a pivotal role in making the AH (or the Trans Asian Railways) work for Bangladesh. This in turn would generate a huge amount of related demands for banking, insurance and financial services.

THIRD: Apart from access to the Bay of Bengal, Bangladesh is strategically located between S and SE/E Asia, and potentially, could play the role of joining up the two most dynamic powerhouses in the world, namely China and India. We would need to think carefully about how to maximize our returns from acting as such a facilitator.

FOURTH: A strategic move on the part of Bangladesh would be to consider carefully what it needs to do to encourage Chinese, Indian or Thai investments on our soil. We already have the advantage of being situated close to areas with huge unexploited natural resources (even though our own resources are few). We now need to put in place a world class infrastructure, financial services and high-quality human resources in addition to good investment incentives, to be able to seize this opportunity.

A struggle for unclear power



M.J. AKBAR

THE struggle for power in Pakistan is also a struggle for nuclear power. This may not seem immediately obvious, but it is a critical subtext for those who seek power in the pursuit of an agenda.

Just two members of the newly elected Pakistan National Assembly prevented Maulana Fazlur Rahman from becoming Prime Minister of the country with the support of an array of parties who were ready to back him not because they wanted him but because they wanted General Pervez Musharraf and the Army even less. The man who got the job, Mir Zafarullah Khan Jamali received 172 votes in the 342-member House. Although only 328 votes were cast we must assume that the 14 absentees were not ready to support the Army establishment, for the usual fee. Otherwise they would have been around to beef up the establishment support, which was widely touted as being over 200.

This is not to suggest that the leader of the six-party mullah alliance called the Mutahidda Majlis-e-Amal, or MMA, which campaigned with Osama bin Laden's portrait on its active shoulders, would have blown up the world the moment he was sworn in. But I do suggest that our world would have been a different place if the Maulana had become Prime Minister of Pakistan. An ideologically-committed group, motivated by the worldview of Osama, would have acquired a measure of administrative control,

and substantial say in policy-making, in the world's most powerful Islamic state. To dismiss this lightly is to -- using the imagery of so much eastern writing -- wear the mask of complacency over eyes blinded by ignorance.

When Zulfiqar Ali Bhutto launched Pakistan's nuclear-bomb project, he discreetly (or not) put it about that out of this programme would emerge the world's first 'Islamic Bomb.' There is a difference between a 'Pakistan Bomb' and an

of the faith. He wanted this cash to pay for Pakistan's nuclear weapons; he did not really want to lend the bomb to any green-cap dictator who had misplaced his security blanket.

But the concept of the Islamic Bomb has its devotees, including powerful lobbies in Pakistan. They believe that the various governments in Pakistan who have not played out this option have betrayed the cause, internationally.

The MMA believes that Pakistan's nuclear bomb must have an

interfere with his convictions.

These clerics do not lend themselves to easy caricature. It is wrong and unfair to dismiss them as mad mullahs. They do not necessarily rant and rave at the drop of a skullcap. Maulana Fazlur Rahman, I believe, is a charming person. Certainly his smile in photographs is wide and honest. But simplicity is a natural characteristic of believers who have become missionaries. It is difficult, for instance, not to be impressed by the personal lifestyle

prohibition into Pakistan did not become a hero of the Jamaats thereby. They knew he was doing it for their votes. They accepted his decision and kept their votes for themselves. They could be even more cynical than Bhutto. General Zia ul Haq, on the other hand, did not need gestures to become their leader; they recognised in him one of their own, and that is what he quickly proved to be.

General Musharraf must have been tempted to include the MMA

such a party. (Witness the coalition in Delhi.)

The MMA has an agenda that is beyond the joys of this life. It also has two important allies. The first is time. Time is generally on the side of the Opposition, but in this case time might do an extra favour to the MMA by creating difficult conditions for the elected Prime Minister, Mir Zafarullah Khan Jamali, too quickly. Mr Jamali's biggest burden will be his benefactor. Pakistan has put in place a political system without logic. Real power is in the hands of an armed oligarchy; and elected representatives have to feign that they are running the country. Mr Jamali may find this acceptable. He has announced that foreign policy and the economy will be handled by General Musharraf. (Is there anything left, apart from municipal affairs?) But he is getting handsome rewards for such open-minded behaviour. Others in the elected Parliament are not going to be so generous. The first confrontation has already begun, and it is over a nodal issue: the legitimacy of the Legal Framework Order by which General Musharraf literally reappointed himself as the real authority in

within the coalition he began to construct once the King's Party failed to win a majority in the elections. Politics all over the world follows what might be called the Lyndon Johnson Law (the former American President borrowed the dictum from the Arabs, incidentally): It is far better to have the camel inside the tent pissing out rather than outside the tent pissing in. You are not expected to be choosy about camels, either.

General Musharraf must have concluded that the price of a deal with the mullahs would be unacceptable. He patched together a coalition by traditional means (in simpler English that is known as hard cash, either immediately or the promise thereof). When a coalition consists of individuals and groups that want nothing more than to eat, drink and be merry, life is easy. Some prefer eating, others drinking, and still others merriment: a fortunate few get all three. But nothing as disastrous as ideology ever breaks up

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BYLINE

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'Islamic Bomb.' The first can be justified as a legitimate weapon of self-defence. The second assumes a larger geo-political purpose. It is, by declaration, available for export to any Islamic nation that feels threatened.

The argument sounded persuasive. Every other 'major faith' had its bomb. The Christian nations were of course in the forefront, assuring them of political and economic dominance over large parts of the globe. Communism protected its frontiers and resources with the bomb as well. The Jews had their arsenal too, even if Israel officially denied that it possessed the bomb. With India going virtually nuclear after Pokhran in 1974, the 'Hindu Bomb' had also arrived. History demanded that Pakistan restore the equilibrium of world power with an 'Islamic Bomb'.

It is a moot point how much Bhutto actually believed in this artificial argument. He was more interested in Islamic money than in the defence

Islamic dimension. This belief is not necessarily thought-through, or totally rational; nevertheless it exists. The partisans and activists of the Jamaat-e-Ulema or the Jamaat-e-Islami, and related theocratic movements, spread across frontiers. They exist in India as much as elsewhere. I met a senior cleric who was one of them. You can hear the deep sense of dismay in his voice at the fact that the Army stole the leadership of Pakistan from Maulana Fazlur Rahman. His anger rose to a scream as he accused General Pervez Musharraf of being a puppet of America and Britain. To be fair, he did not suggest that the 'Islamic Bomb' be used against India; perhaps it would have been impolite to do so. But he argued passionately for its use as a deterrent against America if it dared to attack Iraq. This was what an 'Islamic Bomb' was meant for. The bomb had become a bit of an all-purpose superweapon in his naive imagination, but naivete did not

of an office-bearer of the RSS at their headquarters in Nagpur. A corner of a small room, a simple dhoti and Spartan food is sufficient for his needs. Such men do not want Aquascutum jackets and John Lobb shoes. A shalwar kameez and a turban is good enough. Generals and bureaucrats tend to convert their foreign exchange allowances into Alfred Dunhill glasses and Armani suits. The ideologues are not personally threatening. But their ideology is dangerous.

It is ironic that the great sceptic Zulfiqar Ali Bhutto's daughter Benazir should have come close to making the Maulana a Prime Minister. Even in failure she has left a benchmark which will be difficult to erase. She has given the idea acceptability, and made the Maulana a front-runner for the job in a future dispensation. Her father's motives for flirting with Islamists were cynical, which is why he never became their leader despite all his wooing. The man who introduced

are persistent offenders, generally come from unhappy home backgrounds, where there are permanent stress and lasting problems. Maladjusted teenagers are much more aggressive and badly behaved than normal children. Government may introduce parenting laws requiring parents of young offenders to exercise specific controls over their children. Unfortunately, our society tends to assume that, people who commit criminal acts do so because they are that sort of person -- in other words they have a criminal character or personality and that such people don't change. But this belief is not shared very strongly by many others, specially those in Western countries. In France and Belgium, for instance, there is much more money made available for the criminal rehabilitation programmes. Young offenders are sent to correc-

tion centres, trained and re-educated to become socially useful members of society. Government can also begin search for a technological quick fix. Anybody who has driven on London or Frankfurt's main roads or motorways, in recent years, or who has visited shopping centres or strayed into relatively exclusive housing estates there, would have found widespread surveillance by means of close-circuit television (CCTV). Installation of CCTV cameras have substantially reduced the level of crimes and enabled a swift response to ongoing incidence by the police. Research in Newcastle town centre, for example, found that the installation of CCTV cut burglaries by more than 50 per cent and criminal damage by one third.

Most people cherish the hope that the government that can win an

election with two-thirds majority in the parliament will take authoritarian measures to contain any social unrest. This is because the pursuit of economic policy designed to sharpen up efficiency, increase productivity and rise profitability could only succeed if accompanied by authoritarian measures to clamp down on all signs of public misbehaviour, no matter how small; in order to stop wrongdoing before it has the chance to escalate. Former New York mayor Rudolph Giuliani became everyone's hero by adopting zero tolerance strategy in New York City. It was claimed that in New York City, this new zero tolerance policy reduced crimes by 37 per cent in three years.

I hope Prime Minister Begum Khaleda Zia will try to bridge the growing gap between the democratic ideals and the corrupt realities of politics.

Crime and punishment: A stitch in time saves nine

ANAM A CHOUDHURY

CRITICS will say all this comes a bit late. Better late than never, especially if it means Bangladesh is to become a law and order society. Despite our strong devotion to democracy, most people believe that the country needs discipline more than democracy in order to develop. If the Prime Minister Begum Khaleda Zia really wants to live up to her promises the government must restore law and order, concentrate more on economics and less on politicking and build more infrastructure. In a society where lawbreakers routinely go undetected or unpunished, even the law abiding may eventually feel that their ideas of right and wrong are being undermined. For last few decades, the government, the police and the courts seemed increasingly tolerant

of law breaking. Consequently all categories of crime show a marked increase -- theft, burglary, criminal damage, violence against the person, robbery, fraud, drug offences, sexual offences all have risen. Ironically, most of these crimes are committed by young males. There is a growing recognition of the need to control the behaviour of the young people of this country. Our police forces have become particularly unsuccessful in dealing with crimes, especially with serious crimes. This has led to a predictable decline in levels of public confidence in the ability of police to maintain law and order. Bangladesh is in the grip of a growing crime wave and the police have been fighting a losing battle to contain it. The inclination to break the law could only be held in check, if there is a strong probability that criminal action will be detected and

punished. What is clear, however, is that the government of Prime Minister Begum Khaleda Zia is sensibly changing direction significantly to this end. Government's commitment to be tough on crime and on causes of the crimes has already met with a lot of interest and approval from the ordinary people. It is hard to find any other issue on which both the rich and the poor side so solidly with the government. Toughening up of sentencing policy will surely put more criminals behind bars and they will have less opportunity to commit crimes.

Although politicians and experts debate why people commit crime, is there really a puzzle? There has been no shortage of theories purporting to identify the nature of the problem and to prescribe appropriate solutions. Some people allege that our overburdened criminal justice system

may be unduly subject to political pressure. Others say, there is a lot of evidence of endemic corruption in the police forces. Lack of high standard in recruiting, failure to address corruption during training and lack of supervision later probably lie behind most police misbehaviour. Apparently, few things frighten us, as much as corrupt policemen -- with the authority of a uniform and power of state behind them. Sociologists see these problems differently. They think cities breed crime. Unlike villages and small towns, cities are full of strangers. The safety of the neighbourhood is largely in the hands of the police. But the police cannot contain crimes by themselves. An important restraint on criminal activity is the presence of potential witnesses, who know the neighbourhood and its inhabitants. John Kelly, (1982), performed a study of 175

American cities and found that density of population correlated strongly with the amount of crime in that area, in other words, the more people there were, the more crime there was. Statistics suggests criminality is now normal and widespread among section of young male population living in city slums. Slums of Dhaka are a sort of waste bin for people. We have millions of youths with no jobs and no qualifications. They have nothing and they want something. If these youths commit street crimes it's an explosion of frustration. Government should try to reduce poverty and unemployment and strengthen crime prevention measures.

Teenagers from unhappy backgrounds, where there is a lot of argument and quarrelling and a lot of bad feeling are much more likely to become delinquent than those whose homes are stable. Teenagers, who

OPINION