

Predicting government's downfall!

Crystalgazing bodes ill for democracy's future

THE main opposition AL seems to have broached a new 'Road Map' to bring about the government's downfall by next April. AL's General Secretary Abdul Jalil said so in a press conference on November 4. He rationalised his optimism on grounds that the chronic failure of the government to stem the tides of lawlessness and price hikes propels the nation toward such a scenario.

Jalil's comment emits an ominous signal and it's divorced from the constitutional polity that laid out modalities to change government. While few would differ that the government had exposed its weaknesses in terms of governance, none however expects anything 'unconstitutional' to interject into the equation of how a regime should draw to its epilogue. As well, the comment marked a departure from the party's previous stance that apparently sought to take a constitutional route (mid term election) to regain power.

Our concern lies in the fact that comments like this make the civil society wary about the future of our democracy that already finds itself beset with other aberrations. As it is, democracy now treads on a wobbly ground due to the Opposition's boycott of the parliament and the Treasury's inability to ensure quorum for its smooth functioning. On top of this come the rhetoric and the acrimony from both the camps.

Put such confrontational inputs into a perspective to surmise what might follow. The government can jolly well be faulted for not performing up to the expectations, but the behaviour of the Opposition is anything but inspiring. The government assumed power with people's mandate and the people are the best judge of its fate. Moreover, experience leads us to believe that every elected government since the early 1990s ran its course, ultimately vindicating its *raison d' etre*. Should it be different this time?

Depleting migratory birds

A big bio-diversity concern

THERE are many oddities in and around the busy traffic intersections of Dhaka that we have taken in stride, but not perhaps the crude hawking of migratory birds with the startling '*Ei Shikar*' calls. So wily the vendors have become that while displaying the *deshi* variety as a decoy they lead intending buyers to where the migratory birds have been surreptitiously kept.

Thus the sale is sometimes open and, at other times, a concealed affair. But there are reasons to believe all this is happening under the very nose of the law enforcers. A class of dishonest traders and vicious trappers are in the business. The forest authorities have the generalised Wildlife Preservation Act of 1974 to deal with the situation which has its own ramifications in respect of migratory birds as compared with other kinds of wildlife

By the dictates of Nature, Bangladesh is a sanctuary for migratory birds in the winter season. Their habitats and foraging grounds lost to icy cold up in the Siberian North, these beautiful objects travel to a warmer clime like that of Bangladesh. They get a plenty of food and a sustaining environment here. With the first intimation of spring in Bangladesh, they will have flown back to Siberia to breed and procreate. Experts estimate that 250 species of such birds migrate to Bangladesh during winter suffusing the environment with colour and warbling sounds. While enhancing the beauty of nature by their delectable presence, they enrich bio-diversity of nature striking a balance in the ecology.

When so much is at stake, the trappers and sellers of the birds must be brought to book. The most effective deterrent to the business will come from public awareness of the environmental degradation it causes. Let's build public opinion against hunting, trapping, killing and eating of migratory birds so that such criminal offences are fended off.

A. K. N. AHMED

AMERICA'S economy today is outpacing all its rivals. It is the lean and flexible American economic model that is deemed triumphant as the United States enjoys rapid growth, low unemployment and low inflation -- enough it seems, to support ever dizzier highs on Wall Street. Both the mainstream economists and political leaders are eloquent in claiming that the new economy has put cyclic booms and busts behind it and the American model has proved its superiority over other countries to follow. But is it true? Are there reasons to accept the widespread assumptions that America's economic model automatically delivers the best results? Before we delve into these questions further, let us briefly discuss the various models of development that have been tried by various countries of the world during all these years since the end of World War II. Given below a summary of such important models.

The American Model: The good points of this model are flexible labour and product markets, low taxes, fierce competition and shareholder capitalism which puts pressure to maximise profits. Its bad points are wide income inequalities, low welfare benefits, poor quality of "public goods" such as primary and secondary education, low investments and very low savings rates.

The Japanese Model: Its good points are lifetime employment, encouraged loyalty and high skill levels, public services, especially education of high quality, close relations between banks and other firms, corporate cross-holdings shelter managers from impatient shareholders, allowing them to take a long term view of investments. Its bad points are that the virtues mentioned above shelter the firms from the full force of the market and they feel little pressure to use capital efficiently.

The East Asian Model: The region has long been an intellectual battleground for economists. Some saw rapid growth as proof of the virtues of the market-friendly policies -- low taxation, flexible labour markets and open trade. Others argued that South

Korea's industrial policy was evidence of the possible gains from selective government intervention. The truth is there is no single "East Asian Model". Economic policies vary largely from relatively liberal Hong Kong to heavy handed South Korea, from widespread government corruption in Indonesia to squeaky clean Singapore. What the East Asian countries shared was openness to trade and higher savings than other emerging countries.

The German Social Market Model: Its good points are excellent education and training, a generous welfare state and narrow wage dispersion breed social harmony, close relations between firms and banks that assist high investments. Its bad points are

big increase in inequality.

The Dutch Model: Once an extreme example of Eurosclerosis, some see the Netherlands as a model for the rest of Europe. Workers have accepted smaller pay rises in return for more jobs, rules on part-time and temporary jobs have been relaxed and social security rises have been trimmed. The result has been a dramatic fall of unemployment -- to 3.6% compared to an average of 10.6% in Europe. The Dutch model appears to offer a way to cut unemployment without big cuts in the welfare state or wide pay differentials. However, the headline jobless rate paints too rosy a picture; actually one third of workers are part-time, the highest proportion in the rich world

What model of development Bangladesh is pursuing? Is it the Japanese model? Is it the American model? Or is it some homegrown model? Ever since the inception of Bangladesh we have been preparing rather fat documents on successive Five Year Plans, annual development plans, other numerous studies, letters of intent listing conditionalities crafted by international lending agencies for submission to donors and agencies for seeking their financial assistance; but the general public who will execute such plans have not been privy to their content or outcome.

overly powerful trade unions, high taxes, overgenerous jobless benefits and widespread labour and product market restrictions have led to persistently high unemployment.

The Swedish Model: This model was once advertised as a "third way" between capitalism and socialism. Its good points are relatively open markets combined with comprehensive welfare state, narrow wage dispersion and employment schemes that pushed the jobless back to work. Its bad points are rising inflation, increased budget deficit caused by recession, and as unemployment rose, costly job schemes were no longer affordable. High on personal income tax also blunted the incentives to work.

The New Zealand Model: Radical reform in the 1980s transferred the rich, and world's most regulated and closed economy into one of the most free market with the lowest tax rates, lowest trade barrier, widespread privatization and the most autonomous central bank. But its bad point is

and unusually large number of people receive disability or sickness benefits and so are excluded from jobless count.

Comparing the performance of the various models described above is a tricky business since perceptions about relative performance are hugely distorted by the cyclical factors. In the late 1980s many Americans, terrified of being overtaken by Japan, urged that Japanese model be adopted. Today, America is close to the peak of its cycle. Japan, in contrast, is mired in recession and Germany is slipping towards one. When America next meets recession, its model too may quickly lose its glamour. Despite these constraints, attempts have been made by experts in the recent past to compare the performance of the three big economies of USA, Germany and Japan in terms of growth in output, productivity and job creation during a ten years time horizon, which includes at least one recession. Such studies indicate the following:

twice as fast.

Job Creation: This is the only area where America outperforms other economies. Unemployment has fallen to only 4.2 per cent of the labour force, less than half of Germany's rate of 10.5 per cent and now for the first time below Japan's 4.6 per cent.

From what has been stated above it will be evident that overall the notion that the American economy stands on the top of the world is questionable. It is also vulnerable to criticism because of its wider income disparity. It is often asserted that America has traded higher inequality for faster growth; yet over the past decade average income has risen by similar amounts as in other two major economies.

What are the morals of the above discussion? They seem to be the following:

o Super models change with economic circumstances and different models may suit different countries given their different cultures.
o The differences as opposed to

similarities between economic models tend to be exaggerated. In their zeal to make a successful economy fit their favourite theory economists of one persuasion or another are too quick to swallow myths about the nature of economy.

o American model of economy should not be considered as "one size fits all" and should not be put on sale for all countries. What is good for the gander may not be good for the goose. Besides, this model now ruling supreme may come under fire if America's economy is to go into recession disturbing signs of which are already on the horizon. Once there is a downward spin of US economy as predicted by some, American model smarting

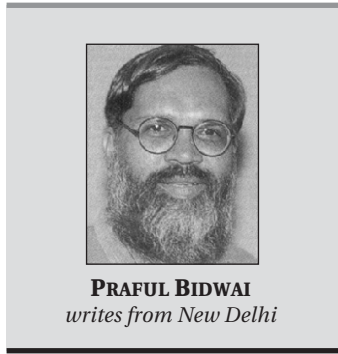
from a sense of triumphalism may lose a lot of its present gloss and appeal. America is now widely held to be the clear winner in the world's economic beauty contest. But the judges may not have really studied the figures.

o Various models should be studied not with a view to embrace any one of them blindly, but to better understand what suits a country. In this regard what the French historian Alexis Touquville said about American democracy is relevant. "Let us not turn to America in order to slavishly copy the institutions she has fashioned for herself but in order that we may better understand what suits us; let us look there for institutions rather than models, let us adopt the principles rather than the details of the laws." (*Democracy in America 1838*)

Finally there remains one question. What model of development Bangladesh is pursuing? Is it the Japanese model? Is it the American model? Or is it some homegrown model? Ever since the inception of Bangladesh we have

Indian elite in Mammon's grip

The Greed Creed's high costs



PRAFUL BIDWAI
writes from New Delhi

AS we recover from another Diwali -- and another high-decibel assault on our senses -- it's time to reflect on India's growing, aggressive consumerist culture. Most Indian cities witnessed ugly traffic jams during frenzied Diwali shopping by insatiable bands of people.

The buying craze has spread all over the country, including the South, where Diwali was traditionally unimportant. In city after big city, there were gold festivals, diamond sales, and bazaars selling pricey cars.

At the centre of this is the metropolitan upper class, comprising about 6 percent of the population, according to the National Council of Applied Economic Research, with annual household incomes of Rs. 105,000-plus. Its disposable income has doubled or trebled, with the emergence of high-salary islands in services like information technology and call centres.

With free imports of luxury goods, there is a bewildering variety of articles

to buy--from chocolates to footwear (e.g. LVHM shoes costing Rs. 35,000), lingerie to cosmetics, and gadgets to cars.

No wonder consumer spending rose

between 2001 and 2002 by an astounding 130 percent in respect of gifts, 108 percent on mobile phones and 68 percent on movies. The Indian consumer spent 58 percent more on clothing, 55 percent more on eating and 22 percent on vacations--in a single year.

The starkest expression of this consumerism is found in glitzy air-

tive Hedonism 15 years ago.

Today, thousands of rich Indians are willing to buy an Omega watch for Rs. 1.5 lakhs, a Cartier ring for Rs. 5 lakhs or a designer dress for Rs. 65,000.

The consumer boom is extremely *unevenly* distributed. Thus, sales of air-conditioners, mid-sized cars (which now lead the automobile boom), television sets, washing machines, etc., are rising at 20 percent-plus, whereas sales of mass-consumption textiles and footwear are stagnant.

This is explained by the decade-long

The negative consequences of Mammon worship are repulsive. The Greed Creed promotes aggressive behaviour against the community. People consume not because consumption is some basic need, but because it is socially constructed. You show yourself off to make others feel small... The Greed Creed may satisfy the lust of a small minority. But it will visit untold social devastation. Gandhi was right to say there's enough in the world for everyone's need, but not for a single person's greed. Responsible citizenship means austerity, equality and setting limits upon greed.

conditioned chrome-and-glass malls, replete with boutiques, restaurants, discos, bars and theatres. Some 240 mega-malls are under construction, in addition to the existing 20-odd. In Mumbai and Gurgaon (Delhi's super-rich suburb) alone, 43 mega-malls will open by December.

This consumerism's most important ingredient is change in the values of the elite, which has dedicatedly embraced hedonism, or the pursuit of pleasure. It believes pleasure is the greatest good, and that the highest pleasure lies in consuming--what I first called Acquisi-

lowering of taxes on luxury goods, and by easy retail credit, which has expanded *35-fold* in just two years! The rich are borrowing to spend. When they use a credit card, they pay interest of 36 percent.

Even more skewed is income-class distribution. The top twentieth of the population accounts for 30 percent-plus of all consumer spending. The bottom three-fourths together spend about the same.

This is a case of privilege building further upon privilege. The rich are seceding from the people. The masses

are being left behind by a tiny minority which started with an unfair advantage of birth--and hence, opportunity. Grotesque inequalities are the new consumerism's greatest downside.

However, some conservatives see virtue in this. They argue that spending even by a small minority will produce greater overall growth--which will eventually trickle down.

This view is profoundly mistaken. Spending by itself doesn't create wealth. Equally necessary is saving and investment. A striking feature of the

sumption is some *basic need*, but because it is socially constructed. You show yourself off to make others feel small.

People have to be *persuaded* to consume--through advertising and marketing. As Noam Chomsky argues, some \$2 trillion, or five times India's GDP, is spent annually thus to persuade people in the United States.

Often, the persuasion is subtle. Hundreds of millions became smokers--and victims of cancer and other diseases--out of belief that smoking is

Opposition faces an uphill task to dislodge Koizumi

MONZURUL HUQ *writes from Tokyo*

ALTHOUGH the final results of Japan's 43rd lower house election on November 9 would not be officially declared until early Monday, a clear trend of the eventual outcome is supposed to become visible by Sunday late night, and with that the fate of contesting political parties that are now busy trying to convince voters all over the country of the merits of casting ballots for their candidates. As the day of casting ballots is now approaching fast, leading politicians of all six parties contesting in the election are making no wastage of time in their utmost effort to carry their respective messages to the doorsteps of country's unwilling voters, whose lethargy in showing up at polling stations is a well known fact.

In the last two general elections held in 2000 and 1996 respectively, voter turnout was 62.49 percent and 59.65 percent, giving the last election a slight edge over the earlier one. But no doubt, in both such occasions political parties more or less failed to generate real interest among Japanese voters and a significant number of voters simply opted out from exercising their voting

right. As political analysts everywhere categorise abstained voters to be those in difficulty in deciding whom to support, their abstention no doubt helped the ruling block to maintain its hold on power. In Sunday's general election too, the outcome is surely to be influenced by the figure of those showing up at polling stations. Recent media reports in Japan suggest that a high turnover might indicate difficulty for the ruling coalition, although it would no way mean that Japan at last is poised to witness a change of guard in its democratic structure.

Of all democratic states of the industrialised world, Japan is the only country that has hardly seen voters expressing their strong desire for a change in power structure. The main ruling Liberal Democratic Party (LDP) is in power since November 1955, except for a brief spell of ten months during 1993-94, when a coalition of different opposition groups joined together to oust the party from power but eventually failed to manage their own unity. And if we go back before the period of great conservative merger in Japanese politics in 1995 that resulted in the formation of LDP, it is easy to see

that the Liberals and Conservatives were also swapping position of power periodically among themselves since Shigeru Yoshida formed his second cabinet in October 1948. This calculation puts LDP firmly in power in Japan for last fifty-five years, making Japanese democracy partially meaningless with the absence of one of the most important component that compels democratic set-up of governance behave properly. The high growth economy that dominated every aspect of Japanese life until the late 1980s kept voters content with what their leadership was providing, and despite revelation of repeated scandals, they didn't feel any real urge to initiate change in the system that by then was deeply submerged in the game of "money politics".

The political and economic situation in Japan in early twenty-first century has gone through radical transformation. On economic side the high growth situation has been replaced by stagnation and deflation. In politics, despite the LDP still holding its position of power, the party has merely managed to do so by joining hands with smaller partners. As a

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The eventual result of cooperation and merger is turning the election into a two way fight, the eventual outcome of which too might turn out to be equally interesting...

result, the big question that is naturally being raised in connection with the general elections these days is whether the LDP would manage again to hold on to power by utilising the weakness of opposition forces to its advantage. For the upcoming election too, the same question is being asked by the media and political observers, who in their own analysis and interpretations, are also trying to focus on a possible answer that tend to tilt in favour of the party that in Japan has become synonymous to power.

Despite giving an edge to the LDP, a number of political analysts in Japan also are saying that the election on November 9 is going to be one of the most exciting lower house election that Japan has ever witnessed. For too long

voters in Japan never felt any affiliation towards country's prime minister as the opposition always failed to win a majority and the highest post of the government was always decided by the LDP presidential election, the outcome of which was influenced by factional realignment and backdoor negotiations. For the first time the Japanese voters are now given the option to decide who they would like to see as country's next prime minister: incumbent Junichiro Koizumi of the LDP or Naoto Kan, president of the largest opposition Democratic Party of Japan (DPJ). While Koizumi is asking people for their support to continue with his reform policy, the argument that Naoto Kan has successfully taken to many of the voters is that, the election is about

who should be allowed to take control of the government.

The campaign strategy so far is proving slightly in favour of the DPJ as the party is calling on voters to use their voting rights to bring in real democracy in Japan that necessitates a change in power for the democracy to function properly. The LDP on the other hand, is trying to utilise the image of Koizumi as a leader with a vision for changing Japan structurally to fit in to the demands of the new century. By appointing a relatively younger politician, Shinzo Abe, as the secretary general of the party just before the dissolution of the lower house that paved the way for the election, Koizumi is trying to win over support of the younger generation of voters whose decision would prove vital to win the election. But there is also the other side of the so called "young" secretary general that might backfire if voters dig in for more than how a person looks like and to what age group he belongs to.

On political position Abe belongs to the extreme right of Japan's main ruling party, which presently is notoriously pursuing a single agenda policy

of taking a firm stand against North Korea. As Japan has failed to win support of even the closest of her allies on the question of abduction of Japanese nationals by North Korea, there stands the grim possibility that a number of voters might even question the credibility of the position being pursued by the group. But at the same time, much of that might depend on how skill fully the opposition might utilise a sensitive issue to its favour.

Of the total 480 lower house seats, 300 are contested in single-seat electoral districts where the outcome would be decided on winners take-all basis, and other 180 are to be distributed among parties on the proportion of votes they get. Of the 300 directly fought seats, in 205 candidates from only three parties are contesting. In addition to the LDP and the DPJ, the third party involved in the three-way contest is the Japanese Communist Party (JCP). But since the JCP failed to win a single of its contested seats in the last election, the focus of attention in those 205 seats are on candidates of the two major parties, and the outcome of this direct confrontation between the LDP and the DPJ is going to have a

been preparing rather fat documents on successive Five Year Plans, annual development plans, other numerous studies, letters of intent listing conditionalities crafted by international lending agencies for submission to donors and agencies for seeking their financial assistance; but the general public who will execute such plans have not been privy to their content or outcome. What the public really see, instead, has been aptly summed up by a frustrated solicitor general of a tiny country of West Africa called "The Gambia" when she told a foreign development expert, "We could do a study quickly that would identify six areas that need fixing. But that is a problem here; it is always more studies and more studies. Most of the aid received goes for studies; then the studies tell us what we already know." (*Institutional Adjustment and Adjustments to Institutions* by Robert Kilgaurd).

It is high time for the government and particularly our Planning Commission to come out of their hall of fame to the marketplace with their development strategy for the people to see, debate, comprehend and participate in the planning process. The soul of any development process is the people. What is the worth of the body without the soul?

During my school days I read in the textbook on history of England a statement by King Edward I "What touches all must be approved by all." This single statement on true democracy etched in my mind for more than sixty years still applies to Bangladesh. How long should we continue to fiddle with the so-called democracy and planning without caring to discern their nature suitable for us? Bangladesh government, in its development policy which has no road map seems to be a firm believer in a Spanish proverb which says "Traveler, there are no roads. Roads are made by walking." (Quoted in the last two lines of the book "Diplomacy" By Henry Kissinger, 1994).

This game should come to an end.

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