

Economics get a raw deal

When will politics become economy-friendly?

BANGLADESH seems out of tune with a global trend. Whereas development agenda of nation-states are gaining an upper hand over their internal politics, she is bogged down in politics. As a result, her economy is suffering. So, it hardly comes as a surprise that the Bangladesh Development Forum inaugural on Saturday alluded to it. The tone-setting opening ceremony was dominated by a donor recital of non-economic factors standing in the way of Bangladesh's realising her full potential.

The impediments to development are: politics of confrontation, law and order slide aggravated by murders of political leaders and businessmen, political protection of criminals, endemic corruption and abuse of power, police failure due largely to partisan use of the force, and poorly functioning lower judiciary. So corrosive has been the impact of the non-economic factors in the last few months that, according to an ADB estimate, the growth rate projection of 5.7 per cent of the GDP will have to be revised downward to 5.5 per cent. By a World Bank's earlier reckoning, corruption ate up 2 per cent of the possible growth in Bangladesh. Imagine if the debacles in politics and governance had not happened, where would our growth curve be! We have drawn laudatory remarks for our positive macro-economic and social sector indicators. How much greater would the success be in such areas, if the non-economic factors had not intervened.

Times without number, and government after government, politics has overtaken economics or, more precisely, it has been allowed to. However, keeping the BDF in front, the government is showing a great interest in getting the promised institutional reforms in place. For instance, a fast-track approach to anti-graft commission, Ombudsman's office, separation of judiciary from the executive is being taken now. Is it all for the benefit of the BDF, or is there a genuine desire here? Frankly, we cannot be sure. Needless to say, there has been a good deal of foot-dragging on the agenda so far. But on the pivotal question of ending confrontational politics which is the root cause for the economy being sidelined, no concrete commitment has been made nor is it available. The responsibility essentially rests with the ruling party to give a solution to the politics of stand-off. The opposition's space has virtually shrunk to a dead-end. The state machinery is being used to fulfil partisan agenda. Begum Zia's government will have to take a meaningful initiative to draw the opposition into a dialogue designed to end the highly conflictive politics.

NGOs and alternative political forum

Donors take issue

THE government's NGO policy and its attitude towards formation of an alternative political forum by former president Dr B Choudhury engaged the attention of some donor representatives at the BDF meet on Saturday. In both cases, the way the government treated them drew a lot of flak. In fact, our own civil society, including the media, had been critical of the government's role in the two areas.

The government seems to have taken a negative approach towards some NGOs, civil society initiatives and alternative political forces. But obviously the attitude is not compatible with our democratic and constitutional traditions. Looking unkindly on an alternative political forum or depriving the civil society from performing their duties or ignoring them, as we have witnessed in recent times, can only smack of majoritarian arrogance. In other countries, the civil society plays a big advisory role, they are often called the second track of the government itself. That is because they are able to provide an impartial outlook on a lot of things.

Accusations have been hurled by the government at some NGOs in the country, but none of the allegations have been substantiated as yet. If there is anything against an NGO, it cannot be a matter of subjective claim; it has to be proven beyond any shadow of doubt. NGOs with their commendable contributions in poverty alleviation must be allowed to continue their programmes without any hindrance. In this regard, the recent attempt by the government in producing a draft law to restrict the activities of NGOs has been criticised. Donors have categorically said that NGOs should be allowed to operate freely without any political interference and inappropriate restrictions imposed by the government. They have a point that merits active consideration.

The final blow to "the peace of the brave": All with US blessings!



M ABDUL HAFIZ

TO the outside world, Israel's assassination of 67-year-old, semi-blind quadriplegic Hamas chief Sheikh Ahmad Yassin while on his way back from the mosque after his morning prayer looks either indefensible or inexplicable or both. Some have moral objections to the killing of an elderly and highly respectable cleric; other have legal worries about such extrajudicial killings. Even those with no qualm of principles and with sympathy for Israel scratch their heads to work out the logic of such an act. The issue is compounded by another targeted killing in less than a month of the infamous assassination -- the killing of Abdul Aziz Rantisi, the new Hamas chief. By all reckoning, the serial killings perpetrated by the head hunting and bloodthirsty Ariel Sharon, certainly American blessings amount to acts of extreme savagery prompting a barrage of international condemnation and fuelling fears of an unparalleled gush of regional violence. The murders would carry the

shock waves all around the Muslim world. Where Sharon is looked upon as little other than Bush's head hunting bulldog. The notion is reinforced when an Israeli spokesman brazenly boasted that the prime minister had personally supervised the planning of the attack on Yassin. The murder was known to be formally ratified by the Israeli Cabinet that has descended to the level of a Council of Mafia gangsters ordering a knockout. The Hamas leaders are convinced that despite half hearted denials by Washington, the assassinations of Sheikh Yassin and subse-

quently Abdul Aziz Rantisi were carried out in explicit collaboration with the US administration which is equally responsible for the dastardly crime. The Israeli government which owes its existence to the US and is dependent upon Washington for economic and military aid couldn't have conducted the attack without a green signal from 'White House'.

Nevertheless the Israeli actions -- with or without US blessings -- have been able to scuttle the feeble peace efforts pursued by different quarters, for no dialogue for peace is indeed conceivable in prevailing mood on either side. European Commissioner Chris Patten caught the mood when he suggested that Israel had dealt with a fire by powering gasoline on the flame. Hamas is already threatening to take its war beyond Israel and occupied territories warning that all Zionists (and Americans) will now be targets. The movement's new leader calls for the 'Muslim nations' to wake up from its sleep and take up arms; another faction calls for "War, War, War on the sons of Lion."

Still worse are the implications of Bush's wholesale endorsement of Ariel Sharon's Gaza plan. By supporting the sinister plan, President was that it could be treated only as an interim step without contradicting the provision of US backed 'road map'. But in the press conference held on 14 April after meeting Ariel Sharon, the President said that one had to take note of "new realities on the ground". This was ostensibly a reference to the illegal settlements the successive Israeli governments built in the West Bank, especially around Al-Quds so as to surround the holy city with Jewish Population Centres.

In hindsight Israel was already comprised of 78% of Ottoman

initiated under the rubric of Oslo process.

Fresh hopes were aroused when in April 2003 President Bush unveiled the 'road map' -- supported also by the UN, EU and Russia. Although the road map was seen more as an attempt to placate the Arab anger on the eve of Anglo-American Iraq invasion, it held out some promises for the weaker party like the Palestinians vis-a-vis Israel, the mighty regional power with nukes in its arsenal.

The 'road map' visualised a total withdrawal from the occupied

ment couldn't involve return to 1949 armistice line because of the 'existing major Israeli population.' In other words the US has already underwritten Israel's annexation of parts of West Bank.

Even if the role of earlier US administrations were unsavoury for the Palestinians, the Bush administration has outdone all its previous ones in kowtowing to the Zionists. It was at Sharon's behest that the US began undermining President Yasser Arafat's leadership and authority. Egged on by Tel Aviv, Washington began to make extraneous demands like the reforms in the Palestinian Authority -- thus side tracking the real issue -- the need for Israel to withdraw from the occupied territory. The latest shift in US policy is a severe blow to hopes for peace in the Middle East.

It is a cruel Joke that Bush calls the butcher of Sabra and Satila 'the man of peace' and blatantly supports his crude terrorism. It is an irony that the US President exasperated with his war on terror has been chasing the wrong men in Palestine, Iraq, Afghanistan and Pakistan while the world's biggest-terrorist is very much there in Tel Aviv.

George Bush, afraid more of an Israeli lobby than his electorate, praises Sharon's plan to steal yet more Palestinian lands as a 'historic and courageous act'. The man with such a bias can be anything but an earnest broker for Middle East peace.

Big (red) Hafiz is former DG of BLSIS.

PERSPECTIVES

It is a cruel Joke that Bush calls the butcher of Sabra and Satila 'the man of peace' and blatantly supports his crude terrorism. It is an irony that the US President exasperated with his war on terror has been chasing the wrong men in Palestine, Iraq, Afghanistan and Pakistan while the world's biggest-terrorist is very much there in Tel Aviv.

Bush not only repudiates several decades of American policy on the Arab-Israeli conflict, he, as a matter of fact, legitimises the usurpation of more Palestinian lands by the Israelis. Following his White House meeting with the Israeli Prime Minister early last month Goerge Bush scuttled previous US Administrations' policy by declaring that Israel might retain "some" Palestinian land. This means that the Bush Administration now supports Sharon's diabolical plan that provides for the pulout of Jewish settlements from Gaza Strip and their rehabilitation in larger West Bank settlements.

The US position on Sharon plan territory as it existed in 1917 when Britain occupied it as mandatory power. The remaining 22% consisting of Gaza Strip and West Bank was under Israeli occupation since 1967. In the throes of Intifada as this occupied territory was bleeding, a visionary US President, Jimmy Carter and two Arab and Israeli Leaders -- Anwar Sadat and Yizhtak Rabin decided to bury the hatchet. More than a decade later Yasser Arafat, the PLO Chief and Prime Minister Rabin signed what the then US President Bill Clinton called "the peace of the brakes". But following Rabin's murder in the hand of a Zionist fanatic, successive Israeli governments sabotaged the peace

territories and halt to Jewish settlement activities and, of course, the emergence of sovereign Palestinian state. It also stipulated the disbanding of those settlements which came up after March 2001. But Ariel Sharon continued to build new settlements and strengthen and expand the existing ones while the Bush Administration looked the other way. Now with the latest initiative of Sharon -- ostensibly with Bush's acquiescence, the US has knocked the bottom out of very 'road map' it itself had presented a year ago. In the 14 July press conference, George Bush unabashedly justified Israel's violations of 'road map' by saying that the final settle-

ment couldn't involve return to 1949 armistice line because of the 'existing major Israeli population.' In other words the US has already underwritten Israel's annexation of parts of West Bank.

Bangladesh Development Forum: A scorecard

MANZOOR AHMED

THE annual Bangladesh Development Forum (BDF), a conclave of some two dozen bilateral and multilateral donors and the Bangladesh Government, is meeting in Dhaka this week. A backdrop of political confrontation surpassing the usual animus between the regime and the opposition, governance plunging to a new low, and public anxiety over the political situation rising to a new peak looms large over the annual stocktaking of development agenda and aid prospects. The scorecard for the past year of either the government or the donors offers little comfort for the long-suffering people of Bangladesh.

On macro-economic issues that will occupy a part of the discussion, Finance Minister M. Saifur Rahman will get a nod of approval. Bangladesh Bank estimates economic growth in 2004-5 to exceed the projected 5.5 percent. The World Bank and the Asian Development Bank have corroborated this estimate. Bangladesh will highlight progress in monetary management, the fiscal and credit situations, foreign currency reserve, and initial steps to reform the banking sector.

The Finance Minister, in fact, on his return from the annual IMF-World Bank meeting in Washington last month, announced that the World Bank was ready to provide assistance amounting to one billion dollars for the next annual development programme. The donors, as the official expectations and calculations go, were sufficiently pleased with the government's performance to offer aid that will exceed two billion dollars in the next fiscal year.

There will be the customary slap on the wrist of the government on such issues as the human rights record, the continued top position on the Transparency International corruption index, law and order, strengthening local government, the spat about the NGOs, and the poor performance of essential public services such as health and education. The government, in turn,

will proclaim its sincerity of efforts and explain how more progress was hampered by the intransigence of the opposition and why the government was compelled to give priority to maintaining stability and order in the country.

The Poverty Reduction Strategy Paper (PRSP) will be a prominent item for discussion in the BDF. IMF and the World Bank see PRSP as an instrument for defining development priorities and strategies by Heavily Indebted Poor Countries (HIPC) and other selected low income countries. An acceptable PRSP will qualify countries for concessional loans from IDA (World Bank's concessional loan window) and PRGF (IMF's Poverty and Growth Facility). Bangladesh took the decision to prepare the PRSP in BDF 2000 and presented an interim PRSP (I-PRSP) to last year's BDF. Progress on preparation of the full PRSP, to be completed by the end of 2004, and the

social protection for the vulnerable.

A process of consultation has been followed on I-PRSP with civil society and academic groups. The consultation has prompted questions about the premises underlying the macro-economic framework and the target and pace of poverty reduction. There is skepticism about the extent of globalisation and privatisation, rather than the interest of the poor, are the driving force behind a process initiated by IMF and World Bank. A much deeper concern, expressed almost universally, was the lack of political will and capacity of the government to deal with major obstacles to implementing any pro-poor strategy -- breakdown of law and order, extortion and economic violence, ineffective local government, appalling performance and lack of accountability in public services, and absence of democratic culture and behaviour in political institutions. Can the full PRSP

mode." Yet, the ruling coalition remains hostage to the members of the parliament who want to keep control of patronage and do not want to cede any authority to locally elected public representatives.

& The government promised to create an independent anti-corruption commission. Its creation remains tangled in procedures and there are grave doubts about how independent and potent it would be with the structure proposed.

& The independence of the judiciary and its separation from the executive branch is a long standing promise. The government has asked for the umpteenth postponement of its execution from the Court in the face of Supreme Court directives.

& Establishment of a human rights commission with credibility and teeth also has been a long-time agenda. Again, the government cannot make up its mind how independent and powerful the commission should be

staffing, timely implementation, decentralisation, the inclusion of the marginalised, fighting endemic corruption in appointment of staff, and working with NGOs to effectively reach the children left out. With hindsight, it can be said that flagging these concerns were well justified; because there has been no real serious steps in a year in addressing these concerns. In fact, the

subsector programme which technically began in July 2003, is yet to become operational, in part, because of disagreement between donors and the government about acceptable qualifications for the head of the programme.

& The constitutional obligation of the state for protecting the rights of ethnic, religious and other minorities has been a regular topic in the Forum. Six years after signing the peace accord in the Hill Tracts, there are not only complaints of bad faith by the

surely explain how hard it is trying and that indeed more rapid progress would be made, provided that the opposition parties would refrain from being utterly non-cooperative.

It is very likely that BDF 2004 will see a repeat of the discussion of the same and similar items as noted. And there will be the same mutually reassuring diplomatese until the same topics are discussed again next year.

How can it be different -- a real dialogue about some targets and strategies for the coming year and a sincere effort and a mechanism for monitoring and reporting progress during the year? PRSP as much as it is the framework for setting and achieving key development objectives, can also be the basis for identifying achievable objectives - including economic, social and political ones - for the coming year and monitoring progress towards these objectives. A key poverty reduction issue is that the growth rate has to be raised to 7-8 percent from around 5 percent, along with some pro-poor changes in the composition of the growth, to combat poverty. Experts agree, and World Bank and ADB have made the point, that controlling corruption and improvement in governance can ensure the necessary two percentage point increase in economic growth.

There can be and should be extensive debate and discussion about refining PRSP, making it genuinely pro-poor and yet achievable, and lending it truly national ownership. More importantly, a consensus has to be built on removing the obstacles to its implementation and assessing and monitoring progress. The monitoring has to be participatory - not just by officials and consultants, based on agreed short term and medium term targets and indicators, and transparently shared with and reported to the public and in the media. This should be done, not because the donors demand it, but because this is the people's right and the government's duty.

Dr. Ahmed is the Director of BRAC University Institute of Education and Development.

There can be and should be extensive debate and discussion about refining PRSP, making it genuinely pro-poor and yet achievable, and lending it truly national ownership. More importantly, a consensus has to be built on removing the obstacles to its implementation and assessing and monitoring progress. The monitoring has to be participatory - not just by officials and consultants, based on agreed short term and medium term targets and indicators, and transparently shared with and reported to the public and in the media. This should be done, not because the donors demand it, but because this is the people's right and the government's duty.

key ideas in it will be presented in the forthcoming Forum.

Titled as "A national Strategy for Economic Growth, Poverty Reduction and Social Development," the Bangladesh PRSP is seen by the government as the framework for development planning and budgeting through three-year "rolling plans" and annual development programmes. The I-PRSP presented a "medium term macro-economic framework for 2004-06" for implementing a poverty reduction strategy. The strategy emphasized macro-economic stability, improving governance, investing in human development and

indicate how these obstacles will be removed?

What difference will a guarded pat on the back of the government by donors on macro-economic management and a tap on the wrist on human rights and governance make? Let's look at some promises made by the government and views expressed by donors in the last BDF in 2003 (based on "Report on the Bangladesh Development Forum," Dhaka, 16-18 May 2003).

& The government pledged the "creation of efficient and effective local government institutions in a decentralised decision-making framework through participatory

and it remains another promise still to be fulfilled.

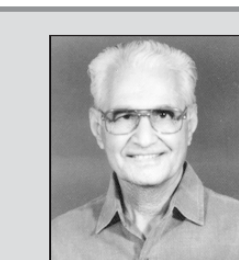
& The government agreed on "the key role played by NGOs and the importance of Government-NGO partnership in poverty reduction." But, the threat of a diabolical legislation hangs over NGOs which would let the government control NGOs by allowing officials to define and decide when an NGO is involved in "politics."

& The donors praised the government for "designing fundamental reforms [in] and preparing a substantial primary education subsector programme." But they expressed concern about effective

tribal leaders, but the escalation of sporadic violence into renewed insurgency is a real possibility. The mob assault and abuse of the small Ahmadiya community have happened with impunity and their religious books have been banned by the government. The consequences of such tolerance and even sympathy for the fanatic elements are ominous and unpredictable.

& There are the boiler plate items such as improving law and order, strengthening the police force, merit-based promotion in the civil service and the "nexus between some politicians, some police, and criminals ... that provides a protective umbrella for criminal activities." The government will

Is it only Sharon?



M B NAQVI
writes from Karachi

BUSH Administration's endorsement of the Sharon Plan, the so-called unilateral withdrawal from Gaza Strip, is a major international event. It is characteristic of the world at the start of the Twenty-first Century. It is no exaggeration to say that Mr. Ariel Sharon is actually planning murder of a whole people. Plans for individual murders are too a penny insofar as this general Israeli Army is concerned. It is almost a minor art form for him; he chooses individuals to be assassinated whom he simply calls terrorists. The need for asking as to how sane and idealistic people turn into terrorists never arises for Sharon.

Indeed what is important to see is that Sharon is actually trying to annex as much West Bank land as he possibly can in the name of Jewish settlements on that territory a crude predatory colonialism of a primary kind. Is Israel, under the plan, certain

to withdraw from Gaza Strip? Or is it merely a PR slogan? He has put so many conditions on the supposed withdrawal as to render it meaningless: Israel will continue to target individuals it thinks are terrorists or are organizing terrorism; Israeli Army would continue to raid and punish Palestinian 'wrongdoers', in its own eyes. Everyone knows that this withdrawal is motivated by an analysis of costs and benefits: it is far more costly to keep it than to let it alone formally and continue doing what it has been doing as an occupying power.

Sharon's attention is actually focused on West Bank land. He has already put up a wall deep inside that territory. Areas on the Israeli side of the wall are as good as having been annexed already. How much more land he can grab under various guises from the West Bank remains to be seen. A major part of Sharon's Plan is never to permit Palestinian refugees back into their old homes in Israel, never. If they want to come back, they would be welcome to whatever bits and pieces of Palestine are left with the Palestinians. Whether all the Palestinians that are left on the remaining West Bank land can actually form a viable state of their own, in the sense of continuity, is doubtful. Needless to say, that (a) far too little of original Palestine would be left for Palestinians after the present appetite of Sharon's Israel is satiated, if it can be satiated; (b) whatever may be available of the once-agreed Palestinian state under Oslo agreements would

PLAIN WORDS

Let's realize the total supremacy of the US inside UN; it rests on the utter impotence of what used to be called former colonies or third world. Time was when there used to be a Non-Aligned Movement. It used to have a leadership that was commonly respected. It had no military muscle, of course; only morality was on its side. That older world is now gone for ever with the departure of Soviet Union, the power that had checkmated the US for 45 years. Now, there is no counter

not be contiguous or economically viable; nor would it be free of Israeli Army's control, nominally for assuring security on the roads crisscrossing West Bank for connecting the so many 'settlements'.

The Bush government has endorsed the Sharon Plan in its entirety. That is a political reversal of 56 years old American foreign policy vis-à-vis Israel and Palestine. It was for the US to decide and it has opted to turn its back on its own past. Others should not be surprised, for signs of change in US stance were multiplying. But in terms of international law, it cannot be dismissed lightly because America is the only super, indeed hyper, power of the day. America now fully shares the moral responsibility for allowing Israel to keep "some" land on the West Bank and secondly the Palestinians' right of return to their original home has been repudiated by the American government for the first time.

It is indeed a new world: no

nation's historical home can be considered permanently its home now; its rights on its land in perpetuity were never questioned before. Mr. George W. Bush and his government constitute the first major power to do so. Earlier it was only Israel that regarded

Palestinians as less than a people, whose Prime Minister once (1969) doubted whether there is any such thing as a Palestinian people. Now Bush virtually endorses such a view. It says much for the brave new world that Mr. Bush is actually reshaping. That he is rather clumsy and not all that successful in many matters is another matter. But his decision means a lot to the American policy on Middle East and the future of the UN. We will consider these aspects presently.

The immediate consequence is that the US has ceased to be an honest broker, although it would still continue to broker this or that objective in the region. But the honesty part of it is now gone. Bush could

take this huge jump in policy more easily because of the present status of the Arab regimes in the region. From the American viewpoint, they deserve the contempt that has been duly shown them. They are actually a string of ciphers. Each Arab gaddi is totally dependent on American goodwill and perhaps subsidy in a few cases. The Muslim world, except for one or two exceptions, eats out of America's hand. None of them can exercise any restraining influence on the sole superpower. In practice they to have been treated as so many zeroes.

What has happened to the Palestinians has happened. That they cannot look to anyone else for support is now abundantly clear. No single Arab potentate or Muslim state can be depended upon for any kind of support to Palestinians. The only meaningful criticism of American and Israeli action has come from European Union. Europe still stands firm on the Quartet Scheme that later became

the US Roadmap. What exact significance to attach to the European criticism is hard to say? For one thing, Europe is no longer solidly united insofar as the US actions are concerned. One of the major European power, Britain, is actually Janus-faced; it acts more as an American surrogate in Europe than as a major European power. Some of the new members of the EU also feel beholden to the US; they will need time to readjust themselves into Europe and adopt a European mentality.

But Europe continues to mean two permanent members of the UN Security Council with some residual influence in the Middle East. The EU is also imbued with a certain amount only a certain amount of idealism. Left to themselves, Europeans cannot counter the weight of the US, with tactical support from Britain from time to time. Russia and China could be counted on the side of fair play if the rest of the world brings the two into the Middle East loop. The US is

stoutly for its own sway over the Middle East; only Israel is a permanent partner, with Britain being allowed to support its imperial designs when required.

Let's realize the total supremacy of the US inside UN; it rests on the utter impotence of what used to be called former colonies or third world. Time was when there used to be a Non-Aligned Movement. It used to have a leadership that was commonly respected. It had no military muscle, of course; only morality was on its side. That older world is now gone for ever with the departure of Soviet Union, the power that had checkmated the US for 45 years. Now, there is no counter poise to the US. The UN has been reduced to the status of a hand maiden of America; it can assure nobody's security unless it happens to be strong enough on its own. Except for its specialized agencies, its current usefulness is not much greater than the League of Nations.

But it should be clear to all that the world cannot go back to the cold war days; they are gone for ever. But if major Asian powers Japan, China, Russia, India, Indonesia had an Asian forum to develop an Asian position on world problems, things might yet improve for all and the UN. If only Asia had a Helsinki type Conference on Security, Cooperation and Human Rights, things may slowly settle into a new pattern in Asia. The US today is dealing with each bilaterally and it is successful in keeping all of Asia at sixes and sevens, each Asian power

vulnerable to America's overwhelming influence.

If on the other hand, there was a growing unity among Asian powers, it could work in tandem with EU. That would make a difference, especially in the UN.

One can also, with some trepidation, mention the possible popular pressure on third world governments to revive their Non-Aligned Movement, the kind of pressure that isolated events Iraq War, WTO, IMF-WB sessions or G8 meetings evoke. In fact, Non-Aligned Movement is far more necessary today than it was in cold war days; it could channelise the urges that one has witnessed at World Social Forum or the various protests. But given the facts of economic life, the chances of any third world personality rising above the rest and creating an organised movement for independence of action, decision-making being predicated on moral and democratic values in third world states, seem rather slim.

The occasion for this daydreaming is about what can the world now possibly do about Palestine, a subject that has been snatched from the UN. The world has effectively betrayed a whole oppressed people; no one stands for their rights. The enormity of deception and unfairness dealt them is unparalleled. One wonders whether human conscience can co-exist with such hard geopolitical facts.

MB Naqvi is a leading columnist in Pakistan.