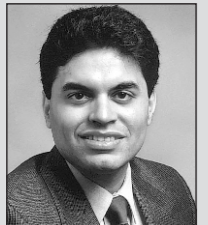


# No security, no democracy



**FAREED ZAKARIA**  
writes from Washington

LARRY Diamond is not going back to Iraq. One of America's foremost experts on building democracy -- a man who has spent years studying and helping countries from Asia to South America make the transition -- he had been working with the Coalition Provisional Authority in Baghdad over the last few months. Three weeks ago, when it was time to return to Iraq from his perch at Stanford, he decided not to do it.

Diamond has become increasingly gloomy about the situation in Iraq, and a meeting in April with a women's group there crystallised his feelings. "I'd met these amazing women a couple of times before and had been urging them to organise and get active politically," he explained.

"Then one of them stood up and

said, 'If we do all these things, who's going to protect us?' She was right. We're asking people in Iraq to do things that will get them killed. Without security, democracy is impossible. If we're trying to win people over in Iraq," he said, "the strategy is obvious: it's about security, stupid."

Iraqis seem to agree. In a poll done in April by the CPA, 70 percent of Iraqis cited security as their single most important priority. And while the addition of about 20,000 American

and their peshmerga military force free reign, which has included some ethnic cleansing of Arabs in Kirkuk. In Fallujah, the Army has agreed that an ex-Baathist group will run the city. In Najaf, the Coalition has been willing (finally) to confront Moqtada Sadr. But it can only do so because it has the tacit support of other, more important Najaf clerics. (Even so, Sadr has been able to rally backing for his cause. A poll shows him with 45 percent support in Baghdad and a staggering 67 percent in Basra the

cal groups will struggle for power -- and their militias will help them do battle. When elections are held, they will use force and money to ensure that the results come out their way.

Some in America are now urging elections even sooner than January 2005. This is not a democratization strategy. It is an exit strategy. But it will not work. Elections held in an uncertain security environment with militias running around the country will produce contested results and a renewed power struggle -- in other

power but legitimacy. And legitimacy can come only if it shows Iraqis that it can stand up to the occupying power. Washington should understand and even assist in this dynamic. At least in appearances, we have to lose for Iraqis to win.

Washington must also get the Governing Council to stop its dangerous attempts to derail the transition plans. For its part, the United Nations must give its stamp of approval to the new government. It should encourage figures like Ayatollah Sistani to bless it as well. If forces from within and outside Iraq all come together to support it, the interim government has a chance at success. That means Iraq will get some breathing space to build institutions, create a constitution and hold elections.

On the other hand, if the interim government comes under fire from radicals and disgruntled power seekers, it might well collapse. The future of Iraq will become a competition among political groups, many of them with armies and anti-democratic leanings that will run their areas of control with brute force. "It's Nigeria in the 1960s," says Larry Diamond. And that ended in a bloody civil war.

Fareed Zakaria is Editor of Newsweek International.  
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## Power is slowly shifting to Iraqi leaders on the ground with men and arms. Politics abhors a vacuum, and in Iraq, local militias are filling it.

troops will help, security forces in Iraq -- whether American, foreign or Iraqi -- remain too thinly spread throughout the country. The result is a pervasive sense of insecurity, which has an even deeper political consequence. Power is slowly shifting to Iraqi leaders on the ground with men and arms. Politics abhors a vacuum, and in Iraq, local militias are filling it.

Once such groups have power on the ground, America must either fight them or, if that would be too costly, cede ground to them in some way. In the Kurdish regions, the United States has allowed the two parties

latter figure is even more striking when you consider that Basra is not Sadr's geographic base.)

Acting out of weakness and haste, the CPA is simply folding these militias into the new Iraqi Army and police. Such militias owe their primary loyalty to religious groups like the Dawaa and the Supreme Council of Islamic Revolution in Iraq, which have strong fundamentalist leanings. Others have ties to smaller, less well-known groups. But the general phenomenon of armed groups is on the rise -- easy in a country in which virtually every male over 14 owns a Kalashnikov. Over time, these politi-

words, a road neither to peace nor to pluralism.

These trends cannot be negated; it's too late for that. But counterforces can be encouraged. That means the CPA must focus first and foremost on state-building. Iraq needs a neutral, national state, and that state needs a professional army and police force. The Iraqi ministries and administration need more people, money and authority.

The UN plan to create an interim government that is composed of technocrats, not politicians, will help give the Iraqi state some independent ballast. But it will need not just

# Economic globalisation and third world poverty

KHANDAKAR QUDRAT-I ELAHI

P OVERTY in the third world (TW) countries has permeated to an unacceptable level." These words are not just political rhetoric, and no one would question the authenticity of this view or the sincerity of those expressing it. However, there seems to be irreconcilable differences of opinion about the antidotes suggested to treat this social disease.

One of the most controversial antidotes is globalisation. The World Bank, IMF and WTO have apparently opened up a wholesale agency to sell this idea to all TW and former Soviet-bloc countries. They are adumbrating its virtuous effects not only on the North but also on the South. On the contrary, many people, including politicians, intellectuals and socially concerned individuals, are vehemently opposing this expert opinion by warning of its potential dire consequences for the global community.

When disagreements over a social issue are so serious and passionate, it ought to be examined philosophically. Yet, much of the debates and discussions on the issue seem superficial. They mostly involve the presentation of economic data on international trade and investment with little considerations of their theoretical implications. And when the issue is analysed theoretically, we seem to totally forget the teachings of our classical and neoclassical masters who have shown, quite clearly, how and under what circumstances, international and inter-regional trade can befit a sovereign society.

In this confusing and complex situation, this paper makes a modest attempt to examine the expected association between economic globalisation and TW poverty alleviation from the perspectives of moral and political philosophy. To properly understand this association, it should be noted that the term, globalisation, has many meanings and therefore, have different types of expected association. This article is interested only in economic globalisation, which indicates the intensity of economic interactions among people of different independent nations.

Two native qualities, often described as two natural masters, control human conducts - pleasure

and pain. In other words, as human beings we always try to seek pleasure and avoid pain. This fundamental philosophical observation can also be applied to understand the expected association between economic globalisation and TW poverty problem.

Poverty is painful and affluence is pleasing, which implies that individuals do not suffer poverty voluntarily. More specifically, individuals suffer poverty because they are prevented from seeking pleasure.

This phenomenon may be described in political vocabularies: Individuals are prevented from pursuing happiness in life by denying them rights and freedoms. In the modern terminology, freedom is understood in two senses -- negative and positive. In the negative sense, freedom means the absence of

promotes individual's right to own and accumulate property. Therefore, the non-communist welfare state does not provide such guarantees, except helping its citizens only when they are unable to take care of themselves.

The economic systems that result from dichotomous political systems are respectively called socialism and capitalism. By definition, most of the resources in socialism are owned by the state and production decisions are carried out through central commands. In capitalism, private individuals, who carry out production decisions according to market command, own much of the society's economic resources. Thus, for examining the association between globalisation and poverty in the non-communist state, we need to know the fundamental nature of capitalism or market economy.

consequence of the lack of individual freedom, which means that the solution to these problems lies in improving the conditions of individual freedom in those countries. This, in turn, implies pursuing the policy of political globalisation or political openness, which, in other words, is practicing the principles of democracy. Economic globalisation or economic openness is a prescription for practicing the extreme form of capitalism called *laissez-faire* market economy.

Let's create a scenario -- a reasonably abstract trade model -- to examine the expected association between globalisation and TW poverty. First, we assume that, by nature, all human beings are under the command of two natural masters -- pain and pleasure. Second, the world population is divided into two countries -- A and B. Country A is both

economically and politically rich, because it has been able to create a societal environment for its citizens to seek pleasure in life. On the other hand, Country B is poor in terms of both conditions, because it has failed to create such environment. Finally, we assume, following the conventional economic wisdom, that competition and specialisation are the key elements of economic prosperity of sovereign society.

The fundamental difference between this model and its traditional trade model is that this model makes the satisfaction of human selfishness -- the source of all economic progress -- conditional upon the political openness of society.

By assumption, Country A is rich while Country B is poor. What could possibly happen to the levels of economic progress of the two countries if their private citizens are permitted to trade freely? First, the introduction of trade can hardly improve the conditions of competition in Country B, because improving those conditions are the responsibility of its political authority. The economic history of world demonstrates that trade openness (economic globalisation) does not improve the conditions of competition in countries where they do not exist. However, the introduction of trade has potentially beneficial impacts upon country A's competitive condition. Trade creates greater opportunities for expanding markets. Therefore, competition would intensify in Country A, because its public authority has significantly reduced the constraints of competition. In other words, Adam Smith's invisible hand is in charge of determining the levels of production and consumption in this country.

Second, the inevitable effect of international trade on national economies is greater specialisation. This is the age of technology, which suggests that the nature of a country's trade specialisation critically depends upon the sophistication of its knowledge industry. Country A already enjoys superiority in this respect. This superiority would continue unabated, because its citizens are able to enjoy a good deal of freedom in making choices and that would be further accelerated by brains drain from country B. It seems obvious that country B would specialise in products, which require lower levels of intellectual inputs and would turn out to be a technology recipient country.

These expected effects of economic globalisation (trade liberalisation) on competition and specialisation are fairly visible. They are thought to be positive and desirable only if the trading nations pursue a progressive policy of upholding individual freedom. Since the TW countries do not pursue such a progressive political policy, the effects of trade are expectably counter-productive on their economies. In other words, this globalising scheme -- that the World Bank, IMF and WTO are proposing for the TW countries -- would tend to aggravate the poverty situation in those countries in the relative term, and depending upon the nature of the impediments that the political systems of particular countries erect to individual freedom of their citizens, poverty might even inflame in the absolute term.

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## Both economic and intellectual poverty in TW countries is the consequence of the lack of individual freedom, which means that the solution to these problems lies in improving the conditions of individual freedom in those countries. This, in turn, implies pursuing the policy of political globalisation or political openness, which, in other words, is practicing the principles of democracy.

human-made coercions or restraints that deter individuals from making choices in life. The positive aspect of freedom implies the provision of means or powers to individuals to enable them for making choices. Naturally, it follows that the persistence of poverty in the TW societies is the consequence of poor freedom situation in those countries.

Evidently, the examination of true causes and persistence of poverty in any civil society belongs to the field of political philosophy.

All political systems, which govern sovereign societies, can be divided into two groups based on one single political criterion -- individual's right to own and accumulate property. These dichotomous political systems are communist and non-communist states.

In the communist state, individuals are denied the right to own private property beyond certain level. To compensate for this deprivation, the state guarantees to each and every citizen all basic needs of life. However, the non-communist state protects and

Our model of market economy is founded on two kinds of fundamental activities -- production and consumption. Problems of production assume greater importance than consumption, because production involves the ownership of private property and the state's welfare depends on the performance of this institution. Production again involves two sorts of activities, which may be called intellectual and business. In advanced capitalist economy, the basic idea of production comes from intellectual activities. Once the intellectual idea of a product is approved, the business people examine its marketability to earn profits. Thus, production is a teamwork accomplished by two kinds of individuals -- intellectuals and business people. In the modern time, the role of intellectual activity has assumed critical importance, because the product improvement and invention are fundamental to stay in the business.

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# A second breakthrough in North Korea unlikely for Koizumi

## CLOSEUP JAPAN

MONZURUL HUQ writes from Tokyo

THE announcement didn't come as a total surprise as factual details coupled with rumours were abound in recent days that the inner circle of the Japanese government was getting ready for another summit between the leaders of Japan and North Korea. Horse-trading within the ruling camp between the known conservatives and those belonging to liberal groups also had given clear indication that the Japanese government was taking the matter of a possible highest level visit to North Korea quite seriously. A day before the announcement, the Secretary General of the main ruling Liberal Democratic Party (LDP), Shinzo Abe, a well known hawk within the ruling camp, had asked the government to be cautious about any summit meeting with the North Korean leadership. Like all die-hard conservatives elsewhere, Abe also doesn't want his opponents find any easy opening at all that might allow them to gain upper hand despite necessary precautions. Hence for him, avoiding any direct contact with the Pyongyang leadership might have been the most ideal of all solutions, as this would increase pressure on a government, which, according to general conservative assessment, is already isolated, cornered and on the verge of collapsing.

But despite such opposition within the ruling group of Japan, it has been officially announced on Friday that the Japanese Prime Minister Junichiro Koizumi will visit North Korea on May 22 to hold talks with North Korean leader Kim Jong Il on the crucial issue of abduction of Japanese nationals. This will be Koizumi's second visit to the country in less than two years and also second ever to Pyongyang by any Japanese prime minister.

In recent days officials from two countries were involved in a series of discussions in Beijing and the development suggests there has been progress in the negotiation where the Japanese side was demanding that North Korea send the families of five repatriated

abduction victims to Japan. During a meeting earlier this month in Beijing, Japanese officials hinted that Koizumi might make a second daylong trip to Pyongyang to make a breakthrough on the issue of families of five abducted Japanese nationals who were repatriated soon after his first visit in September 2002. North Korean officials responded by saying that they would refer the idea back to Pyongyang.

The announcement of the visit thus indicates a confirmation that the leadership in Pyongyang has also assessed positively the Japanese proposal and are now willing to make all possible gains by opening the door for the Japanese prime minister to pay his second visit in 20 months. As both sides are poised to reap maximum benefits out of Koizumi's forthcoming trip to Pyongyang, how far Japan can gain in real term remains doubtful.

The second talks between Koizumi and Kim are also expected to reinvigorate the stalled normalisation negotiations between the two countries. But here too, much would depend on the progress in the abduction issue. Japan is calling on North Korea to send the families of five repatriated abducted citizens and also to provide more information on other Japanese who Pyongyang claims have died and those who remain unaccounted for North Korea, on the other hand, has maintained that the five went to Japan on a short visit and are being held now against their wishes. They also demand that if Tokyo is willing to prove the assertion wrong, what the country needs is to send them to Pyongyang to confirm their willingness before accompanying their family members back to Japan. The North Korean side also claimed that the questions about other abducted Japanese citizens have long been settled as they have provided information related to their death.

As the positions being taken by the two sides contrast sharply, there are enough indications that the Japanese prime minister might find Pyongyang less hospitable this time compared to what he encountered in

September 2002. During his first trip, North Korean officials admitted agents working for Pyongyang abducted or lured to North Korea 13 Japanese in the late 1970s and early 1980s, and eight of them have died. The five others were allowed to go to Japan on a two-week trip in October 2002, where irony of fate has turned them into pawns of a new political game being played by conservative and nationalist elements in Japan.

Until quite recently Pyongyang was accusing Japan of breaking a promise to return the five after a brief homecoming and was insisting that they first go back to North Korea before any discussion could be started on the fate of the family members. Tokyo demanded unconditional departure of their family members. It seems both sides have given up a bit of their respective positions in order to break the stalemate. But what in real term Koizumi can gain out of the visit still remains doubtful as the family reunion might also expose new stumbling blocks difficult to overcome. As the husband of one of the five Japanese nationals is a US military deserter still wanted by the American authorities, to find an easy solution to the problem might not be that easy at all.

Sources within the Japanese officials are suggesting the possible resumption of humanitarian assistance to North Korea if the family members are allowed to leave. Koizumi is most likely eyeing on the possibility of accompanying at least some of the family members on his return flight from Pyongyang. If that much he can achieve, this would no doubt give him a publicity boost that he is desperately in need of after a series of pension fund scandal has weakened the image of his government. North Korea, on the other hand, would also be happy if helping the Japanese prime minister to mend the shattered image of his administration opens the door for generous financial assistance at the time of need. Any other progress right now seems to be of secondary interest for both sides of the forthcoming summit.

# Rethinking development approach

MD. ABDUL KADER AND SOHEL IBN ALI

OUR country is one of the most vulnerable economies, characterised by extremely high population density, low resource base, high incidence of natural disasters, and criminalised socio-political structure. These have adverse implications -- for savings, investment and growth, and overall development of the country.

The continuing deterioration of law and order has been attributed to weak governance, criminalisation of politics, corruption, violation of citizen rights, break-down of traditional moral order and intolerance marked by violence and insecurity -- with just negative impacts on poverty reduction efforts.

There is, of course, an extensive range of formal rights reflecting a progressive liberal constitution that establishes state commitment to Universal Human Rights. In practice, however, the ability to enjoy rights depends upon who you are, how much you can 'afford' and whom you know. In this existing 'system', the have-nots face innumerable barriers when attempting to obtain access to services, resources and livelihood opportunities.

Monopolistic state service providers, an underdeveloped private sector characterised by extensive market failure and segmentation, and pervasive patron-client relationship structure sustain poverty and inequality along class and gender lines. Political parties are generally more dependent on local and national elites who mobilise their dependent clients, rather than on independent 'voting power' of deprived masses e.g. landless poor. As a result, politicians are unlikely to hold officials to account or press for pro-poor reform, and often have a vested interest in the accumulation of resources and power by elites.

The landless poor face so many depressing constraints in their struggle for a decent livelihood. The nature and magnitude of these obstacle often also determine the ways for

dealing with the challenge of poverty. Such barriers are, of course, not immutable and they can change over time in their intensity and significance.

If we review our poverty situation in terms of income poverty and human poverty what we find? As per HIES-2000 (Households Income and Expenditure Survey) report, 49.8 percent of total population (53 percent rural) is income poor in Bangladesh. It indicates modest poverty reduction rate of 1 percent point per year. Again, the human poverty is 35 percent indicating modest decline rate of 2.5 percent per year. As per the 'Government Agriculture Census Report', 57.5 percent of total population is landless. The landless possess no viable means to reduce their poverty.

The secretary general of Bangladesh Economic Association Prof. Abul Barkat stated in his paper 'Power, Politics and Poverty in Bangladesh' that 'the issue of poverty needs to be viewed in relation to deprivation: Poor people are caught in the deprivation trap, and true human development requires breaking the trap by empowering the excluded -- poor and deprived; focusing on human freedom in contrast with narrower views of development such as identifying development with the growth of gross national product, or with the rise in personal income, or with industrialisation, or with technological advance, or with modernisation. Growth of GNP or of individual incomes can be important as means to expanding freedoms enjoyed by the members of the society. But freedom depends also on other determinants, such as social and economic arrangements as well as political and civil rights'.

There is divergence of socio-economic, political and cultural factors involved with the poverty issue. Poverty itself has different dimensions. Therefore, no approach would be effective the issue is address from different directions. The poor people need support not only for increasing income but also for meeting other basic needs like housing, health, education and social justice. As majority of the popu-

lation is dependent on agriculture, therefore people need access to land, water bodies and other public resources -- means of production. Poverty reduction needs holistic approach considering socio-political and economic contexts. However, in the past decades, we had addressed poverty only from the perspective of income poverty; we did not give emphasis on human poverty and other perspectives. As a result, we did not make significant progress in poverty reduction as well as overall development of the country.

Recently, Bangladesh organised the largest ever regional Micro-credit Summit in Dhaka, where more than 1200 delegates from 47 countries attended and hundreds of them made visits to some local micro-credit organisations. In his message, the UN Secretary General told that micro-credit and microfinance programmes have proven to be effective in the fight against poverty as they addressed the problems at the grassroots level.

As observed, it seems that micro-credit is the only way to the third world countries to reduce their poverty as well as achieving sustainable economic growth. However, those who are directly working with the landless people (majority population in the country) in the rural areas may have different opinion about it. It is true that grassroots people need money for involving themselves in income generating activities in order to reduce their poverty and unemployment. But not in that form, it needs to be a comprehensive social package so that they can be the owner of resources and utilise the resources through investing credit. Then there will be the sustainable development.

Over the last three decades, GO & NGOs invested thousands of crores of taka in the credit programme for economic emancipation of the people and argument was that if any one could be economically empowered then he/she would be able to manage other resources/facilities like health, nutrition, educa-

tion etc. However, field experience shows that micro-credit has achieved success to a certain extent; it successfully created 'safety net' rather than achieving sustainable development.

In the short run, it increases income of some moderate poor, but if there is no insurance that it will sustain through the future. Again, due to certain procedures, it has not covered the majority people, the homeless and the landless living in the remote areas, eg char land. It did not as yet significantly contribute to reduce human poverty in the country. Again, it could be found that there are huge number families who failed to repay the loan due to its high rate of interest or lack of opportunity to invest so profitably or spending money on social occasions. Finally, they migrated to nearby cities or Dhaka adding to the slum problems.

In other words, economic development/emancipation should not be equated simply with 'creation of low income job opportunity' or 'increase of individual income to certain extent'. Most of the economists in the country argued that the problem of poverty / development is structural and it should be addressed as such.

So, considering the constraints, we should rethink our development approach and give equal emphasis and importance to income, human development and structural issues for overall sustainable development of the society. We should put all emphasis on only micro-credit. We conclude recalling Amartya Sen's statement that development means expansion of capabilities. In other words, it is increasing the possibilities for more people to realise their potentials through expansion of their capabilities for functioning.

Md Abdul Kader is Executive Director and Sohel Ibn Ali is Director of Samata.

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