

AL should join the stand- ing committees

It's the need of the hour

DESPITE all the grievances and complaints they have, we have no doubt in our mind that the opposition Awami League should not deliberate further to decide whether to join the parliamentary standing committees. They must do it. We think their presence in the committees is extremely necessary at this juncture. We understand that it's not a perfect situation for them to be in - there may be questions about their proportionate representation in the parliamentary bodies and over the non-allocation of chairmanship of the committees on a proportional basis. But, as some of the opposition lawmakers expressed their opinion, we also believe that the standing committees provide them with one of the best opportunities to articulate the grievances of the people and seek their redress.

The opposition have made their point, we have heard them and their demand is on record. It's time now they see the wisdom of realising that these committees must be allowed to work instead of sitting idle year after year. In whatever form the opposition's voice is heard through the parliamentary outlets designated to ensure transparency and accountability of the ministries must be a value addition. As it is, one and a half years have already passed since the formation of the parliamentary bodies, and almost three years of the present parliament's tenure have gone by. In fact, their absence in the standing committees is basically allowing the government a walkover which is anachronistic to parliamentary democracy.

Therefore, we urge the opposition to join the standing committees because their absence from these is neither serving the people nor themselves, to be true. Corruption, inefficiency, deteriorating law and order and, above all, pervasive lack of governance make them morally obliged to actively participate in these committees. People will take what they say outside the House more seriously if they participate in the working of the committee system. That is the added dividend they get from joining the standing committees.

Fragmenting the police role

New strike force in the offing!

WE are more than a little confused at the report that yet another strike force of the police is awaiting government go-ahead to swing into action. The new force called Panther will add to the two recently established special forces of the police, the Rat-turned-Rab and Cobra.

While there is no denying that the abysmal condition of law and order in our country needs urgent action of the government, we feel establishment of special forces from out of the existing police force is fraught with some hazards. Very likely, the new force will cause fragmentation within the police itself, and, presumably not having a legislative caveat on size or mandate, is likely to hamper the other functions of the police, notably prevention of crimes and prosecution of arrested criminals.

It is also our apprehension that investing these forces with special privileges will create a feeling of marginalisation of those that are not a part of it. There is also a good chance that the other elements of the police will suffer the neglect that sustaining the special forces might entail.

We are also concerned over the unlimited power of these forces, which are likely to be abused. The number of deaths in Rab custody validates our concern. The power to shoot at criminals that the Panthers are likely to be given, if true, gives rise to many questions that the authorities must ponder upon.

We cannot help but feel that the unplanned and random establishments of strike forces is but knee jerk reactions of the government to problems that need to be tackled in a comprehensive manner.

The police, being the main law-enforcing agency, have well defined functions. Efforts must be made to make it more competent in control, prevention and prosecution of crimes. Its competence in all three areas must be enhanced in equal degree.

It is imperative for the government to go for reform and reorganisation of the police force in a holistic manner rather than take piecemeal measures that could work at cross-purposes proving in the end to be counterproductive.

FARID BAKHT

OUR IMF friends tell us that a 'debt crisis' only occurs when a country's debt servicing reaches 50 per cent or more. In plain language it means we would be in trouble if, for every \$100 of exports, we had to set aside \$50 to repay the money owed.

We have to use up precious foreign exchange, earned through exporting clothes, shrimps, tea and migrants' remittances.

Bangladesh's debt service' level is only 10 per cent, so what's the problem?

It becomes one when we realise that close to half our garments' NET foreign exchange earnings will soon be paying for this debt.

We keep hearing that our garments industry earns \$5 billion a year in export. We forget that the same garments industry is our biggest importer, spending up to \$3.5 billion in cotton, cloth and accessories. That leaves only a net \$1.5 billion surplus. We have to pay back \$650 million every year and that figure is climbing to \$700 million in 2005.

We pay out in debt more than we earn from the shrimp, jute and tea industries. All that environmental degradation in our coastal areas to

grow shrimp, just to pay back our creditors. Pause to consider that we spend about the same on public health as on debt repayments. In a land where over three-quarters of our people live on \$2 or less a day.

Our debt is over \$17 billion (owed mostly to multilateral donors such as the World Bank and ADB). It has more than quadrupled since the end of the President Zia era.

This debt crisis has crept upon us unawares. Debt crises were meant to affect Latin American economies or South East Asia, not us. Those countries took on debt from private banks. They were credit worthy, unlike us. And we only receive aid, don't we?

Bangladesh actually only receives \$700 million in actual disbursed 'aid' (forget the promises and commitments). Every year, nearly the same amount flows out as interest and principal repayments for old debt. In other words, by 2005, our donors will be giving us nothing extra in terms of dollars! Moreover, the debt will continue to grow while aid declines. To add insult to injury, advice is becoming more prominent and shrill at the same time that net aid becomes ZERO or even negative.

Over the years, we have been getting fewer grants and more

Nato trying to redefine itself



M ABDUL HAFIZ

THE Nato, the world's most credible military alliance was created in 1949 as a bulwark against possible Soviet thrust into Western Europe after the Second World War. By queer turn and twist of history its elite forces are now engaged in odd police duties to maintain order in post-Taliban Afghanistan where they prove to be misfit in fighting odd gunmen, guerillas, bandits and at the best Taliban remnants. This development for the organisation is bizarre indeed, but not without reasons. Nato powers already sent 6,500 troops to Afghanistan where they are barely securing capital Kabul. Recently the organisation has decided to add 2,000 more soldiers in view of rising violence before the election scheduled in October next. To this election hinges the legitimacy of Karzai's puppet government already

installed by the Americans.

The whole exercise by Nato in far-off Afghanistan aims at remaining relevant in changing international strategic milieu. Ever since the end of the cold war when it lost its raison d'etre with the fall of communism and dissolution of Soviet Union the alliance is desperately in search of a new relevance in the changed situation. Perhaps the same compulsion led it to undertake

Second World War. It was described by its founders as a defensive arrangement and an ideological alliance against the Soviet Union and communism at least till the dissolution of Soviet Union. The parties to Nato also decided to consider an armed attack against one as attack against them all, thereby deterring Soviet Union's possible advances towards Western Europe. The main deterrent

ered the hub of the world affairs till the bipolarity of cold war era took shape. According to this criterion, after the dissolution of Soviet Union and the unification of Germany the major focus of Nato is now supposed to be to prevent the US from taking an isolationist stance and withdrawing its forces from Europe.

In fact, many predicted that with the Nato's raison d'etre gone with the demise of cold war it would

PERSPECTIVES

The Nato has slowly but surely moved towards the path of reforms by participating at least in Afghanistan to fight global war on terror although the US wants the Nato also to commit itself in Iraq after the transfer of power there. Its recent expansion marks victory for the US to whose foreign policy objectives the new members are more sympathetic. Driven away from its original plank the Nato seems to have successfully shifted to where it is now relevant.

the largest expansion in the alliance's history on 30 March last when it admitted seven former communist nations -- Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia and Slovenia, thereby extending the reach of the alliance to the very border of mainland Russia.

Nato, it may be recalled, was established as a military alliance to counter the threat of Soviet Union-led communism as the Cold War had been brewing up after the

was, of course, the US pledge to defend Western Europe in the event of a Soviet attack.

But in broader sense, the Nato had always been much more than simply a defensive arrangement or ideological alliance against the Soviet Union. It incorporated in itself a vision of Europe not fully exposed. In the words of Lord Ismay, the Nato's first secretary general, the Nato was designed to keep the Soviets out, Americans in and the Germans down "in what was consid-

slowly but inevitably collapse. There have already been several rounds of troubles in trans-atlantic relationship in recent years. In spite of that far from collapsing the Nato seems to be gaining ground. It has undertaken two rounds of expansion, first in 1999 and recently in March 2004. In the meantime the Nato has been frantically trying to redefine itself. It is inevitable because the end of cold war means that both the US and Europe have a lot of options,

there are interesting developments in Europe having profound impact on trans-atlantic relation. The growing economic clout of Europe has led to a rise in the political-military aspirations of its members. This has, already led to the European security and defence policy involving the creation of a European force with command structure and political direction formally independent of Nato. Obviously, the US has not reacted positively to this development. It is not clear,

The president from tinseltown

MEGASTHENSES

IN times long past (c.650-c.550 BC), there lived seven wise men who have come to be known collectively as the Seven Sages and are identified generally as Thales, Solon, Periander, Cleobulus, Chilon, Bias, and Pittacus. Many of the sayings and aphorisms attributed to them have survived the ravages and passage of centuries, and contain such pearls of wisdom and a sense of universality and timelessness that they still apply. A frequently quoted one is the Latin phrase "De mortuis nil nisi bonum." Or in English, "Of the dead, nothing but good," surely a most unexceptionable norm or code of civility or civilised behaviour. If any of the Sages also prescribed a corollary or cognate dictum that one must at all times be extravagant in praise of the departed, it has not come down to present times.

This came to mind recently when the 40th President of the United States, Ronald Reagan, passed on, full of years, honours, and high achievement. His passing was mourned by innumerable supporters and admirers, in the US and elsewhere, and especially so by family, close friends, and former associates. It must have been painful for them to see the most telegenic of US Presidents slowly descend and decline into physical and mental decrepitude, virtually a crepuscular existence, in the last years of a fully lived and eventful life. The best eulogy at the funeral was the one by Reagan's Vice President and successor in office, George Bush. There was a sombre eloquence to it, without hyperbole, and it afforded a glimpse of Reagan the man and the public figure. When the news of Reagan's death broke, an individual, assuredly an ardent admirer of the late President, in an impromptu comment to one of the news channels asserted, apropos of nothing in particular, that Reagan was a "highly intelligent" person. He did not elaborate whether his words were used in an absolute sense or perhaps relative to one of Reagan's successors in office, in which case not too many people would be disposed to dispute the soft impeachment.

There were many firsts and superlatives in Reagan's public life. He was the first divorced person to be elected President of the US, the first professional actor, and the oldest person to be elected and to leave the White House, and the

longest-lived of all those who served as President. He was elected President in 1980 and completed his second term in 1989, thus breaking a strange 120 year old jinx; from 1840 to 1960, every President elected at 20 year intervals had died in office. Reagan survived an assassin's bullet and colon cancer to achieve this feat. When he was diagnosed with Alzheimer's, he showed rare courage and candour in personally disclosing his malady to the public. Illnesses of public leaders have always been a matter of sensitivity. Reagan's public disclosure did much to ease inhibitions and an unwarranted stigma that many even today tend to associate with mental illness.

Reagan was born in Illinois and

sports announcer from where he graduated to films. Of the 53 films in which he acted, only one, *King's Row* (1941) received critical acclaim. His best remembered film today is, ironically, *Bed Time for Bonzo* (1951), in which he shared star billing with a chimpanzee, which played Bonzo. After *King's Row*, but for the war, Reagan's career in films may well have taken off. He and Ann Sheridan, his co-star in *King's Row*, were in fact the first choices to star in the highly acclaimed and perennially popular movie *Casablanca* (1942), which won the Academy Award for Best Picture. Eventually the lead roles went to Humphrey Bogart and Ingrid Bergman, whose performances and sheer screen

tives and values, policies and their consequences, and public comments by and about him should afford an insight into and a measure of sorts of Reagan the public figure.

Reagan's tenure as Governor of California was marked by phenomenal economic growth in the state. He was only moderately successful though in the implementation of his policies. Consistent with his tax-reducing rhetoric, he sought to cut the budget of the University of California by 25 per cent and orchestrated the ouster of the University's President Clark Kerr. Within weeks of assuming office, he had been hanged in effigy on the Berkeley campus. Ironically the University's budget increased by 100 per cent

Reagan the man and the President may very well be but a blip in the continuum of history. In the chronicles of filmdom though, *Casablanca* will always be a landmark. And innumerable film-lovers -- a breed that transcends national boundaries and even barriers of culture and creed and surely includes many fervid admirers of Reagan -- will without exception be thankful that Bogart and not Reagan played the lead in that film. One must after all be grateful even for the small mercies.

spent his formative years in the state that produced two of the greatest Americans to run for President, Abraham Lincoln and Adlai Stevenson. His father, a shoe salesman of Irish-Catholic descent, was an unabashed liberal Democrat, free of bigotry. His mother was a Protestant, a pillar of probity and a spiritual anchor for the family and the local community. In high school as a summer lifeguard, Reagan saved 77 persons from drowning, none of whom had a word of thanks for him. Most resented the indignity of being dragged to the safety of the shore. This possibly underscored the notion in Reagan's mind that one did not like to be beholden to another and may have shaped his attitude to social and welfare spending in later years. As a senior, Reagan was elected President of the student body. In college too he became president of the student council. He was active in athletics and the drama club and won an award for a role in Edna St. Vincent Millay's anti-war play *Aria da Capo*. Academically though he did not excel.

Reagan's professional career began modestly enough as a radio

presence largely made of *Casablanca* the classic that it has become.

Reagan was called up for active duty after Pearl Harbor, but did not qualify for combat due to poor eyesight. Instead he served in the Army Air Corps' First Motion Picture Unit, narrating training films produced at the Hal Roach Studios, Culver City, California. He also made a few morale-boosting war films, portraying, heroically enough, characters in combat.

In the 1950s, Reagan became nationally known as the host of a TV talk show sponsored by GEC. His politics also began to change, as the one-time liberal Democrat veered to the conservative fringe of the Republican Party. By 1962 he had formally switched party affiliations; the mid-1940s became his "hemophilic (sic) liberal" phase, "when he bled for every cause." Reagan's metamorphosis from liberal to conservative was genuine enough and he sincerely equated conservatism with patriotism and saw in the corporate view of free enterprise, the American dream. A recapitulation, howsoever hurried and cursory, of his political objec-

and state spending on higher education by 136 per cent during his tenure as Governor. By 1975, the state's budget had gone up by 122 per cent. Reagan did not condone handouts for the poor but was generous to big business. In 1967, the Associated Farmers, a group of millionaire growers, were allowed the use of prison labour to harvest strawberries and grapes. Farm workers were outraged. His generosity did have its progressive elements also. The 1971 Welfare Reform Act, for instance, increased benefits to the needy by 43 per cent.

Reagan's sweeping victories in 1980 and 1984 owed much to the support of fundamentalist groups like the former Moral Majority of Jerry Falwell. As President, Reagan stood for supply-side economic policies, increased military expenditure, reduction of non-defence spending, and lowering of taxes, measures that he believed would produce economic growth. The results were mixed: a recession in 1982, followed by 6 years of prosperity and growth, a strong economy, low inflation, energy costs and unemployment. The price for all this was high budget deficits and a

t h e 10 nations with the highest proven oil reserves. The US is in 9th place, just ahead of China and well behind Mexico. This was pointed out to him but, undeterred and unperturbed, he would repeat this later. 3) "If it's a bloodbath they want, let's get it over with." Comment on student demonstrations in California, 1970. 4) "I don't know, I've never played a governor." Response to question about his plans after being elected governor. 5) "I'm not smart enough to lie." Reply to question about his qualifications to be President, 1980. 6) "The entire graduated income tax structure was created by Karl Marx. It has no justification in getting government revenue." Comment during 1966 campaign for governor. 7) "Welfare recipients are a faceless mass waiting for a handout." -- 1966. 8) "I didn't go down there with any plan ... I went down to find out from them ... You'd be surprised. They're all individual countries." Comment after tour of Latin America, 1982. 9) "There is nothing better for the inside of a man than the outside of a horse," a favourite saying of Reagan, who was a keen horseman.

however, whether the European force can be any match to Nato's technological sophistication or it will ever be able to acquire the military muscle independent of the alliance of which Europe or its projected force is very much a part just now. Nato's present Secretary General warns that Nato also is in danger of becoming irrelevant if reforms are not undertaken urgently. The US has strongly argued in favour abandoning the idea of European security which is viewed by her as sheer duplication of capabilities. Either way a delicate balance is due to be struck.

Irrespective of how and when that balance will be struck the Nato has slowly but surely moved towards the path of reforms by participating at least in Afghanistan to fight global war on terror although the US wants the Nato also to commit itself in Iraq after the transfer of power there. The recent expansion marks victory for the US to whose foreign policy objectives the new members are more sympathetic. All the new members are active in Afghanistan's reconstruction while all except Slovenia are also contributing to the war in Iraq. Driven away from its original plank the Nato seems to have successfully shifted to where it is now relevant.

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We want immunity from our foreign debt

'loans'. Loans (whatever the interest rate) need to be repaid; grants do not.

So we have given up our sovereignty, lost control over our destiny, slavishly followed orders (couched politely as advice), given up any pretence of self-reliance and still end up getting nothing extra financially.

tina and Brazil), the IMF got scared that the US and European banks (from where these high officials came and to where they would go for cushy jobs afterwards) might fail. Go bust. Collapse and bring down the Western financial system. This is a recurring nightmare from which they are always rescued by 'sensible' and 'responsible' finance ministers in the South 'playing ball' and signing up to onerous 'rescue packages' -- for the Western banks. Watch out whenever your Finance Minister is praised by the IMF and World Bank.

After 20 years of rolling over debt, rescheduling, selling off government assets (privatisation) and 'liberalising the economy', the people of Latin America started to revolt. Argentina effectively refused to cooperate and unilaterally decided not to pay back the debt. Did the marines invade Buenos Aires? No. Are ordinary people in Argentina living in hope and seeing

some benefits for themselves? Yes. Now, one of the countries with the fastest economic growth is actually Argentina.

The lesson for us is that we can always negotiate, but do so from a position of strength.

Self-styled realists will say this is off-the-wall and completely unapproachable. Perhaps they haven't

noticed how the US is insisting on Iraq's debt being completely forgiven. All \$150 billion of it, just like that.

Under a lot of pressure by Western activists in the 90s, the World Bank agreed to the Highly Indebted Poor Countries (HIPC) initiative where certain countries had their debt 'forgiven' in stages, under conditions. We are not included by the way even though our debt is greater than many countries in that programme.

It is not working properly but the point has been made: press hard and they will move, eventually.

The government must negotiate

We should have a thoughtful debate about the nature of our debt, priorities who we should continue relationships with, and who we should sever ties with if they do not cooperate. It is amazing that our politicians (with lots of 'indebted' friends) should be very comfortable with our

domestic defaulting culture but not try to get our external debt cancelled.

We could kick it off by starting formal negotiations with the Aid Consortium and suggest a 'grace period' of five years since the ready-made-garments industry will be providing a lot less dollars from exports from next year onwards.

Our biggest bilateral creditor, the Japanese, completely wrote off \$1.4 billion worth of debt owing to them earlier this year. How many of us noticed that? Has our Foreign Ministry moved for closer relations with Japan?

The British government has been in the lead in highlighting debt write-offs. Their Finance Minister, Chancellor Gordon Brown, seems to have taken a personal interest on forgiving highly indebted countries and should be commended.

However, the price for 'forgiveness' is too high. Countries are expected to submit to a particular type of economic policy -- the type that doesn't solve problems for the poor majority but looks good in economic statistics. PRSP style.

Incidentally, the Japanese have insisted that we spend the money saved (by not having to pay interest), in making new roads.

Cross party lines, we have to recognise that the money spent in repayments is a complete waste. Instead of receiving paltry sums of money for flood relief, would it not be quicker and fairer for all donors to say: 'we will write off the \$X million in debt you owe us, as long as you put the same amount into a specific and transparent project to help farmers or rebuild infrastructure'. Or even better: 'It's your country; you can decide where you invest that money, but let everyone know that it's being done properly'

A passing thought. When giant companies such as Global Crossing or United Airways go bankrupt, they

sign up to what is termed "Chapter 11". That means they acknowledge they cannot pay their bankers and creditors. They ask for a halt to those payments. Or else the company would go bust and lay off all their workers. They then negotiate a 'do-able' repayment plan and start to rebuild their finances. Workers keep their jobs and consumers remain able to benefit from the service.

With sovereign countries, it is not quite that simple but we might want to think on similar lines. While retaining our independence to pursue economic policies that lifts our people out of poverty. Using the money to meet basic needs.

The World Bank considers that a country's debt is unsustainable if the ratio of its debt to exports is 150 per cent. Our ratio is 180 per cent.

We owe the World Bank \$6.5 billion. During the discussion on their immunity, did we once think of asking them to write off the debt? Immunity must be worth a few billion, wouldn't you say?

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