

Trade talks make progress

Significant differences remain

THE Saarc expert committee negotiations staged in Dhaka to facilitate an agreement on core trade issues before the Safta takes effect from January 1, 2006, have ended on a more or less positive note. On the agenda were four key questions, namely, negative listing of products, rules of origin, compensation for revenue loss and technical assistance for the LDCs.

Negative or sensitive listing of products relates to items that would be kept outside the purview of zero-tariff facility in a free trade regime. A long list is an aggravation of free trade potential. The experts from seven Saarc countries agreed to make the list as short as possible so that the circle of free trade expands. Significantly, two sensitive lists will be taken into consideration, one from the developing countries and another from the least developed ones.

Most importantly, there was a consensus on the general principle of rules of origin in the sense that products manufactured with imported raw materials would be tradable. But on local value addition to exportable products, there was disagreement. Bangladesh pressed for 30 percent ceiling while India stuck to 40 percent.

The LDCs have been demanding a compensation package to tide over revenue losses to be incurred consequent upon reduction of tariff rates. The whole issue was discussed in the light of proposals tabled for establishing a separate fund to help the poorer countries recoup losses in a free trade regime. It is relevant to point out that Bangladesh, Nepal, Bhutan and Maldives will bring down tariffs to the five percent level by 2016 while India, Pakistan and Sri Lanka, with their more developed economies, will have until 2010 to do the same.

It is understood that 'modalities' have been finalised for establishing a fund for technical assistance to the least developed countries in the Saarc, designed to bolster their position as free trade partners.

Hopes are now pinned on the final round of expert committee meeting to be held in New Delhi sometime in June next year, the deadline for reaching a comprehensive agreement on all the four key issues. Let the forward foothold reached in terms of narrowing differences at the Dhaka talks prove a clincher at the crucial Delhi round. After all, we are racing against time to herald the free trade area as a new year's gift to ourselves from January, 2006.

Women's soccer

The threat must be dealt with an iron hand

AN Islamist party, raring to exploit people's religious sentiments, has announced a three-day agitation programme to stop an on-going women's football tournament in the city. Playing football has somehow been viewed by the party as something objectionable. It seems the obscurantists' list of objections is getting longer day by day.

The women's football tournament is being organised by the Bangladesh Football Federation with the permission of the government. It is part of the activities that the Federation has to undertake as the highest regulating body for football in the country and as a member of the FIFA. The resistance coming from a party, known for its ultra-conservative views, is neither acceptable, nor tenable. Playing football cannot have anything indecorous or indecent about it. One must take note of the fact that the local girls are using costumes that conform to our tradition of not wearing anything bordering on indecency or sartorially. So, what do the bigots find in it that upset their sensibilities? Second, we are part of a global sporting family, each member of which has endorsed the idea of bringing more and more women to the sporting arena. Women are playing football in most of the countries. So, it doesn't stand to reason that we will lag behind others only because some religious fanatics don't want women to take part in outdoor sports. We cannot afford to remain isolated, nor can we break with our tradition as a sports-loving nation. The obscurantists are also planning to prevent women from swimming, and it is not known what will be their next target.

It is a clear case of politics and religion being mixed up with sports, which is highly undesirable and thoroughly unacceptable. Women are supposed to have their due place in sports and games, and it would be a meek capitulation to the agitators if the government and others concerned do not take a firm position to neutralise the threat to women's sports.

Global economic conundrum

GHALIB CHAUDHURI

HERE are just two of the many economic riddles facing the world today: US as the largest global economy, and de-facto engine of growth for rest of the world, has been pursuing a lax monetary policy through a low interest rate regime since year 2000. This has helped a consumer bonanza based on cheap money that seems to have an interminable life with strangely no effect on price inflation. And secondly with current account deficit at a high of 5 percent of GDP, the US dollar has curiously managed to maintain most of its value. These are just two of the many puzzling global economic phenomenon that confronts us today. It is at the heart of the imbalance that causes us to think for solution before it turns into a disaster.

World economy is precariously unbalanced, although on the face of it this may not appear to be. The principal worry exist with the US economy; whose consumer keeps the world ticking, as its collective force is singularly responsible for about seventy percent of the US growth; consequently a significant influence on global growth too.

Fortunately for the US and rest of the world, US consumers have been very resilient; other than few months in the summer this year, they have consistently kept an up beat momentum. What is it that keeps them going? A false sense of

real wealth is the short answer: The Federal Reserve (US Central Bank) has consistently dropped Federal Funds Rate- the key reference rate since January 2000 till June this year, signalling a looser monetary stance. Although, rates have begun to rise back since its low of 1 percent to a current level of 1.75 percent, which is relatively still pretty low, allowing the American public to continue borrowing at affordable levels and spend away

if this status quo remains. But it is highly unlikely, as the consumer debt levels are far too excessive, and with property prices already at bubble heights, something has to give. However what is also curious, that despite the relentless consumer surge, prices in America other than oil, housing and some commodities have remained relatively stable. This is very unlike the result one expects after both a sustained monetary and fiscal

spree causing no pressure on prices, because the world, thanks to China, no longer has an issue with labour supply and capacity. If this is true than for the foreseeable future we should have a flat demand curve and a vibrant US economy that despite its glaring fault lines manages to stay afloat.

Just for a moment think what it would be like if the China factor was not there today, and the US is faced with a conventional eco-

account deficit its value should be lot lower than where it is today. However that is not the case, the dollar continues to be resilient after relenting 30 percent of its value against the Euro since its peak. So what is keeping the dollar up?

Once again Asia is the answer and more particularly China and Japan together is helping to shore up the mighty dollar. Both countries are using their bloated reserves to buy US Government Bonds. The

US, China has to transition and integrate smoothly with rest of the world. Its continued blistering growth around 10 percent, however gives the world the jitters.

The Chinese government is applying the brakes through administrative directives, rather than using the tools of interest rate and currency revaluation. So far it is not really working. Ideally China should slowdown to a pace around 7-8 percent which will help curb the over investment frenzy and reduce the pressure on commodities not least oil. But the crux of the matter is, can China manage a disciplined transition to a modern economy without periodic collapse and sending seismic shock waves around the globe?

The imbalances of the US economy can easily be tipped over by the Chinese, but we feel relatively safe because any detrimental Chinese action can also act as a double-edged sword that could equally harm them too. Many therefore believe, perhaps naively, that the status quo will be maintained and the desperate need for correction in the US economy will gradually auto correct through graduated policy changes. Hope this view is right, the alternative may just be too catastrophic.

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like no tomorrow.

The unprecedented borrowing binge have resulted in raising the debt asset ratio to a historical and unsustainable high of 23 percent, while reducing the saving's ratio to a mere 2 percent. Adding to this predicament is the asset price inflation, particularly property prices, which have gone through the roof, providing another source of false wealth and security. With asset price sky rocketing, owners naturally are prone to leveraging off their new-found equity, by re-financing their mortgage.

Life indeed would be hunky dory

stimulant that America had received.

The answer to this lies in Asia and more particularly with China who has been extremely successful in keeping down prices by providing consumer goods at lower and lower prices. There are apparently another 200 million additional underemployed workforces ready for deployment, if the world demands it, before there are any perceptible effect on capacity and prices.

So here is one of the conundrums: artificially stimulated US economy continues with its buying

environment. For a starter interest rate would be pushed up further as the fiscal and monetary stimulants would have challenged capacity and consequently driven prices up, prompting the Fed to act in curbing incipient inflationary tendencies. Instead, we have a situation where the existing fault lines are getting bigger and wider for an economic disaster waiting to happen. What will trigger it is the moot question?

The other conundrum revolves around the US dollar. Again, conventional economic theory suggests on the basis of the current

objective for both Asian countries is not so much investment returns, but being major exporting nations, wanting to maintain the competitive value of their own currency. Had it not being for this voracious appetite of these Asian central banks, US would find it difficult to offload its burgeoning debt obligations which is the other deficit that has reached an unsustainable level of about 6 percent of the GDP. The twin deficits of the US have the hallmark of a sinister foreboding.

China largely holds the key to the stability of global economics. To mend the economic fault lines in

Why should we be honest?



MOHAMMAD BADRUL AHSAN

IT is said that Prophet Muhammad(sm) waited until he quit eating sweets before he asked someone do the same. If anything, the example exalts the importance of how to practice what is preached. We learned of another example, an example of truthfulness when young George Washington confessed to his angry father that he had chopped the cherry tree. Two separate instances of two different values, which happened in two different times. But if you look at it, both are connected by a common sense of virtue. We must reconcile our words with action. Prophet Muhammad(sm) acted before he spoke, Washington spoke after he acted.

Honesty has many faces, and it has many forms. Integrity, trustworthiness, fairness, honour, sincerity, truthfulness and genuineness manifest the ingredients of the character of an honest man. The honest man does the right thing. He follows through so that he can be counted on to do what he says he will do. He will not take things he does not deserve, including award, praise, money, and

credit for ideas. The honest man means what he says and does not say what he does not mean. He will not exaggerate or pretend to be someone he is not.

As a matter of fact, honesty is flower in its fragrance, light in its radiance, sky in its expanse, mountain in its height, river in its streams, all things which are true to others and true to themselves. The great American comedian Groucho Marx said, "There is one way to find out if a man is honest. Ask him. If he

conscience when the end does not justify the means.

Honestly, honesty is about being who you are, not who you wish to be. People often package themselves in preposterous positions, which have nothing to do with their inherent qualities. People exaggerate, people accelerate, people exceed, and people stretch facts to fit imagination. Honesty is when the talking man is as good as the doing man, when the excess between ideal and real is removed

One day toward the end of his life, Diosdado Macapagal, the former President of the Philippines, reflected upon his political career. "I have sat at the sumptuous tables of power," he remarked, "but I have not run away with the silverware!" Dishonesty is about doing the unexpected, about doing the scandalous surprise, when people, who are trusted, turn out to be otherwise. Dishonesty is about putting new label on old bottle, or old label on new bottle.

It is, therefore, more comfortable to be dishonest than to be honest, sort of a footloose approach to life with a fixed goal. The goal itself may not be wrong, immoral or untenable, but the dishonest man will achieve it by unfair means, by cheating others, breaking laws, by dint of adopting the shortcut way of getting to it. Dishonesty is every bit of the way man goes to hide behind his mask.

What is wrong with it? What is wrong with hiding, taking shelter in

cannot explain, because honesty is all about being transparent.

Just imagine if what you saw in the mirror was not what you looked like! Imagine people coming to you and telling you about it all the time! You would be worried, looking for ways to find out who between the mirror and the people was right. Dishonesty creates tension, it creates doubt. People lose faith in each other, and at one point of time they no longer know what is right and what is wrong.

It is for this matter alone that honesty is the best policy. Honesty is safe, honesty is pure. Any departure from honesty means arrival at dishonesty. Honesty is order, dishonesty is chaos. Honesty is truth, dishonesty is falsehood. Honesty is beauty, dishonesty is horror. Honesty is strength, dishonesty is weakness. Honesty is real, dishonesty is artificial.

Where does it lead us? Should we be honest, or should we be dishonest? Should we be on the road to temperance, or should we be on the road to temptation? Should we be on the road to glory, or should we be on the road to glamour? Should we be guided or should we be followed?

That is what it is in the ultimate analysis. Dishonesty is a debacle used to deviate from dignity, a profligate pounce on the profound purity of one's personality. In the end, dishonesty is vile because it denies the man in his own entity. Reward or rebuke, that is enough reason to be honest. The alternative is not so pleasant, because a dishonest man is an insult to his own identity.

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CROSS TALK

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says 'Yes', you know he is a crook." It means honesty is about humility as well. An honest man will let others speak of his virtues, and try not to beat his own drum to get any attention or recognition for him.

So the honest man will not pay to appear on the three-fold cover of a third-rate magazine. The honest man will not lobby for awards, flaunt his talents to win prizes. He will not use his skills to hone his image and take his resume like a scavenger hunt. Honesty is very tight indeed, it works so long as the person is confined within his limits. An honest mind shall exercise frugality; his work shall neither exceed his word nor fall short of it. Honesty is a high-wire act, a precarious balance of character and

and man lives within the parameters of his own pathology.

But then why is it important for man to stick to his own boundaries? Why is it important for him to be honest? Beethoven once dismissed a housekeeper for telling a lie. When it was pointed out that the woman had lied because she thought it would benefit him, Beethoven replied, "Anyone who tells a lie has not a pure heart, and cannot make pure soup." Honesty is important because when people tell a lie, they make a soup of their own condition just like siphonettes dissolve in descending darkness. In so much as life is a mystery, dishonesty makes it even worse when people become mysterious within that mystery.

Dishonesty is about misleading and deception, about betrayal and corruption. Dishonesty is about pretending to be a worshipper in a temple and then escaping with the statue of the deity.

Dishonesty is also convenient like flexibility in shifting situation. Dishonest people will say anything and do anything, partake any course to arrive at their destination. Their means are as crooked as their ends, their minds turning and twisting like snakes going after prey. Dishonesty is about denial, a kind of blind eye turned at the moral scene. Dishonesty is about illusion in deluded minds, people creating their own moral standards to fit their own moral transgressions.

the mistaken identity of that mask? It is mischievous to begin with. It is immoral and opportunistic. It is like using different name, false identity, pretension to further one's own interest. It is like seducing a woman while she is intoxicated, or cheating in the exams. Even worse, it is like plagiarism when the work of another person is lifted and used as one's own.

Is dishonesty right because it works? Is it right to take bribe because it allows one to afford the luxuries of life? Is it right not to pay up bank loans, while using that money to build palatial houses and drive expensive cars? Is it right to steal from others so that your children can get good education? An honest man shall not do what he

OPINION

Ground realities in Afghanistan

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SINCE the beginning of the American intervention in Afghanistan, there has been a spate of articles and letters in all the newspapers in Bangladesh condemning the intervention and painting a doomsday scenario for the Americans in that country. Interestingly, while Afghanistan was being dragged down the black hole of medieval ignorance and ignominy by the Taliban, there was hardly any murmur raised in opposition in this country. It was all their internal matter. In fact, some people in Bangladesh hailed Taliban as heroes -- the pioneers of worldwide Islamic revolution. In the aftermath of 9/11, Osama Bin Laden too became a hero to them -- posters, T-shirts with Osama's pictures were on sale in street corners. Strident call was made for Jihad in Afghanistan. However, the enthusiasm dampened as the Taliban were soon thrown out of power.

What was forgotten, however, was that the Taliban government, although had de facto control of most of the country, was recognised by only three countries of the world namely, Pakistan, Saudi Arabia and UAE. Even these three withdrew their recognition once Taliban refused to hand over Osama Bin Laden to the Americans. The government of Northern Alliance represented

Afghanistan in the UN and various capitals of the world. Bangladesh too always recognised the government of Northern Alliance as the representative of Afghanistan and that government maintained its embassy in Dhaka throughout. American and NATO intervention in Afghanistan was in support of the legal government of that country and was fully in accordance with the UN resolution and the international law. Some of the chair-borne strategists in Bangladesh predicted that the US forces are doomed to meet the same fate as that of the Soviets in the 80s. They were predicting long drawn guerilla warfare in which US forces would be hunted down. They failed to recognise that in the earlier anti-Soviet war, the Americans poured in billions of dollars worth of cash and arms, used Pakistan as the staging base and created the so-called 'Mujahedin' forces. The aim was to stem communist inroad into the warm waters of the Arabian Sea and ultimately to defeat the Soviet forces. Without American involvement, the Mujahedin struggle would have aborted before take off. This time, there was no cash and arms flow and no safe haven for the Taliban. Indeed, Russia and the ex-Soviet Republics joined with the US to defeat the Taliban. Most importantly, the people of Afghanistan were fed up with the Taliban and welcomed western help to dislodge them. For the Taliban, the defeat was inevitable

and it came quick.

In the local press, there had been many articles where only the dark side of Afghanistan scene is painted. Hamid Karzai is depicted as a US puppet whose power does not extend beyond the fringe of Kabul. US and NATO forces are reported to be engaged in a ruthless military campaign that kills mostly innocent civilians and the country is in chaos where semblance of law and order has disappeared. While some of

not visited Afghanistan either, but recently I came in contact with a large number of high-ranking Afghan officials -- doctors, engineers and civil servants, who are undergoing training in rural development under an agreement with BRAC. They, during their long service, had seen all the changes -- from the fall of monarchy to the rise of Karzai. I lived and interacted closely with them for the last five months and tried to elicit honest opinions from them. I also

were barred from all employment; many were stoned to death in public square on trumped up charges. All men were compelled to keep beard of a certain prescribed length. Sports and games such as football, cricket etc. were banned and so were songs and music. There were arbitrary arrest, torture and death. There was no contact with the outside world and trade and commerce came to a stand still. In fact, Afghanistan ceased to be a state in the political

bank that introduced new currency. Banks, business and trading are open. There has been great improvement in health services, communications, power and other infrastructures. It is true that aid to Afghanistan is slow to arrive, far short of what was promised, but reconstruction work is slowly but steadily gathering pace. A "Loya Jirga", traditional council of elders, was convened, a constitutional framework adopted and the country is now

My Afghan friends tell me that that they were appalled at seeing the plight of poor people in Bangladesh. They tell me that there is poverty in Afghanistan, but the stark poverty that they see here every day is absent in their country. They also tell me that the roads and highway infrastructures in Afghanistan are better than those in Bangladesh. BRAC workers who had spent considerable time in Afghanistan praise the people of Afghanistan for their warm hospitality and kindness. They are all praise for the government in Kabul that is working hard for the welfare of the Afghan people. BRAC employees traveled extensively throughout the countryside without armed escorts and never had major security problems. They tell me that the security situation is bad, but not as bad as painted in the western media. There has been a resurgence of Afghan women since the fall of Taliban. They are going back to schools and jobs in large numbers, forming micro-credit organisations of their own and trying to change their economic lot. There is a sure sign of the return of vitality in Afghanistan today.

While the threat of Taliban resurgence will remain as long as they have a sanctuary in the Pak-Afghan border, they will become increasingly irrelevant as the seed of democracy takes firm

Afghanistan is increasingly getting connected with the rest of the world. In addition to the western powers and the Islamic world, Afghanistan is forging strong relationship with the neighbours, especially India and Pakistan. While these countries are increasing political and economic relations, it pains me to see that Bangladesh is sitting on the fence.

these observations may be true, what surprises me is when I see some writers' pining for the return of the Taliban in Kabul. In an article a veteran defence analyst described the Taliban as "intrepid soldiers of God" and predicted their ultimate victory and return to power. How can the Taliban be praised so high? They were neither 'intrepid' nor 'Soldiers of God'. I doubt if the writer visited Afghanistan in recent years. In fact, hardly anyone among the 'Afghan experts' in Bangladesh ever visited that country. Now, I have

informally talked to a number of BRAC employees who had spent considerable time in Afghanistan since the fall of the Taliban.

The pictures of Afghanistan that I got from these people are contrary to those drawn by our 'experts'. My Afghan friends are unanimous in their opinion that there was nothing worse than the period under the Taliban. The Taliban, in the name of Islamic Sharia law, had established a draconian reign of terror and despotism. Schools, especially of women, were closed. Women

sense. Naturally living in such a state was close to hell. What have been the changes since Hamid Karzai took over?

Millions of Afghan refugees who were languishing for decades in squalid camps in Pakistan and Iran have returned and largely rehabilitated. Boys and girls are back to schools. In fact, the schools are in double shifts to cater to those who missed schools for five years. Army and police are getting organised. A country that had no economic infrastructure, now has central

prepared for election. Millions, including women, have enlisted as voters. At every step, the defeated forces are trying to disrupt the return to democracy. Some local 'Afghan experts' predicted that the process, because it was imposed from outside, bound to fail. But they are proved wrong. A country that had experienced nothing but despotism for centuries is now taking slow but sure steps towards democracy. A country that became a 'failed state' is now returning to normalcy.

roots. That is why the Taliban remnants are opposing Hamid Karzai's government at every step. As education spreads, trade and commerce flourish, democracy takes root and Afghanistan starts taking its rightful place in the committee of nations, the medieval darkness will disappear.

Afghanistan is increasingly getting connected with the rest of the world. In addition to the western powers and the Islamic world, Afghanistan is forging strong relationship with the neighbours, especially India and Pakistan. While these countries are increasing political and economic relations, it pains me to see that Bangladesh is sitting on the fence. On top of it, part our media is engaged in vilifying the image of Karzai's government. Negative portrayal of the Afghan government does not help the interest of Bangladesh. Afghan people and the government have a lot of goodwill for Bangladesh; we should put that to work. It would be in Bangladesh's interest to widen contact with Kabul government. We need to open up government to government as well as people to people contact. Afghanistan has great strategic significance and enormous untapped economic resources; none can ignore that.