

## Common Saarc stand at WTO

*True regional cooperation the order of the day*

IT is with considerable enthusiasm that we greet the news that the seven Saarc countries have agreed to take a common stand and pursue a common strategy with respect to WTO negotiations. The next ministerial level conference will be held in Hong Kong next December and given the fiasco of the last such talks in Cancun last year, the fact that the Saarc countries have taken this initiative to consolidate their positions in an effort to increasing their bargaining capacity is a smart and foresighted move.

The agreement comes ahead of the 13th Saarc summit which is scheduled to be held here in Dhaka in January 2005, and is an indication that the regional grouping is finally moving towards becoming the kind of united and powerful bloc that can benefit each of the member countries. It is precisely the kind of initiative that the Saarc countries need to be taking in order to advance their mutual interests in a competitive world.

In this day and age there can be no alternative to regional cooperation. No country -- and certainly not Bangladesh -- can afford to go it alone on the international stage. It only makes sense that our natural allies with whom we need to join together should be our neighbours, and thus all of the constituent countries stand to benefit from Saarc becoming a true partnership.

The focus in negotiations thus far has largely been on intra-regional issues such as free trade and transportation links. These remain crucial and there is no doubt that the progress towards completely integrating the South Asian economy will translate into massive benefits for all member countries.

However, just as important is the understanding that by joining together and presenting a collective face to the outside world in forums such as the WTO we can maximise the benefits of being part of a regional association. Agreeing to develop a common plan of action ahead of the next WTO ministerial meeting will allow each member country to leverage its membership in Saarc to full advantage.

Individually it would be hard for us to make an impression at the WTO, but united we are a formidable grouping that demands attention. There is no better way to ensure that our concerns receive a fair hearing.

## Market fire fallout

*Real victims must get compensation*

THE traders affected by Sunday's fire at the New Bangabazar Hawkers' Market are passing their days amid great uncertainty. For them, the situation has been further aggravated by two ominous developments. First, the presence of armed hoodlums -- deployed by some politically influential men at the market -- is a source of endless worry to the bona fide lessees and renters who have collectively lost around Tk 200 crore due to the fire. Obviously, the deployment of musclemen cannot be an innocuous move. Some people with political clout appear to be working to implement their plan of making the most out of the miseries of the fire victims.

Second, there are allegations that the process of listing the victims is being rigged by the market committee to give undue benefits to some favoured men. If true, this could mean that many genuine victims would be left out. This is a matter of life and death to the small traders who have virtually lost everything in the fire. So any deviation from a fair deal could deprive the traders of due compensation. The whole thing smacks of manipulation of the most ruthless kind.

Now, certain questions have arisen as the traders wait for some steps to rehabilitate them. The first thing that can be said about the tragedy is that there was an utter failure to protect the traders from such a disaster. And there is apparently nobody, or no organisation, to shoulder the responsibility for it all. The poor traders can only blame their rotten luck for what has happened to them. The agencies concerned have escaped by terming it an accident. But who doesn't know that the risk factors (of a blaze) were very much present at the market. The issue of safety was subjected to criminal neglect, to say the least.

The tragedy has been multiplied by the fact that some foul game is being played with the fate of the victims. The authorities concerned should step in immediately to set things right. They have to see to it that the real victims are not victimised once more.

## Reducing the cycle of debt



MUHAMMAD ZAMIR

THE Group of Seven leading industrialised countries had a lot on their plates in the beginning of October. However, despite rising expectations over several issues -- oil, China, and debt -- it lacked the political will to deal with these matters seriously. It refused to sink its teeth into the problem of poverty.

The G7 ministers, as well as those attending the IMF and World Bank annual meetings in Washington, could only "impotently bluster" about how to contain the steep rise in oil prices. They settled for the lowest common denominator -- the need to increase production. In a manner of speaking, theirs was an exercise that only offered the pretence of action.

Similarly, on China, their response was also diluted. There was very little real pressure on that country to adopt flexible exchange rates. Their virtual lack of influence on China was further underlined by that country's finance minister Jin Renqing who stated that China had "no immediate plans" to join the G7.

The real failure of the G7 was however in an area where they do have considerable leverage: debt relief.

Many countries had hoped, and several had been led to believe, that the latest round of meetings in Washington would produce solid plans for action to reduce the levels

of debt servicing still being demanded of heavily indebted poor countries, most of them in sub-Saharan Africa and many of them spending as much or more on debt payments as they do on health and education.

It may be recalled here that Action Aid and Oxfam have calculated that even after debt relief under the HIPC scheme only seven countries have seen their debt burden reduced to levels considered sustainable. For

\$5 billion. It has paid back \$16 billion and still owes about \$30 billion on the same debt.

Today, sub-Saharan Africa pays \$1.30 in debt service for every dollar it gets in aid. In the case of certain countries, it is four times what they spend on health care.

Everyone agrees that this is unjust. There is now an international consensus that these debts should be paid off -- and quickly. However, as has been evidenced a

as South Africa also do not agree with the British idea, worried that this would hurt their future gold exports.

Unfortunately, the latest meeting could not agree with Mr. Brown. He also failed to get sufficient support from members of the IMF policy-making committee.

In the recent past, The US presidency has been exhibiting quite a bit of interest in debts and writing them off, particularly for the poorer coun-

tries. This has mostly arisen out of its involvement in Iraq and efforts to greatly reduce the debt of that unfortunate country. The US administration realised that other nations would object to such a write-off for oil-rich Iraq if the broader picture did not include the really poor countries in Asia and Africa. As such, the US led a campaign to get the multilateral banks to give money, rather than lend it, to the poorest nations.

Unfortunately, current efforts to reduce these debts have not been successful. The Heavily Indebted Poor Countries (HIPC) Initiative began in 1996, and was expanded in 1999, but the results have been very limited. The concept of eliminating \$100 billion in debt has not reduced debts to manageable levels.

There appears to be stark contrast in attitudes and statements. This has been noted most aptly in the International Herald Tribune of October

and competing interests of their several constituencies make it that much more difficult to forge a consensus that will be strong enough to challenge industrialised countries with regard to the central question of tackling poverty at the roots.

The scenario is complex, but the reduction of poverty through the multilateral mechanism can still be accomplished given political will. Some modest reforms could improve the responsiveness and the efficiency of the IMF and the World Bank. The starting point should be an overhaul of the voting structure. Over time, the slice of "basic vote" as conceived in 1944, has been eroded to less than 2 per cent of the total i.e. one-fifth of the level in 1970. Reversing this process would give Africa and other developing regions a stronger voice.

The executive management system also needs reform. One formula might be to have more executive directors, each of them representing not more than eight countries.

The last meeting in Washington might not have concluded with full acceptance of agreed principles, but fortunately, strands of hope were left in the air. Both Mr. Brown and the US Treasury Secretary John Snow were right to mention that details were not always important. I agree with them. I believe that the post-US presidential election scenario will see movement forward. What is vital is that the world's wealthiest countries continue to work on writing off 100 per cent of the debt belonging to the world's poorest countries.

The patience of the poor, especially the extreme poor in many countries, is wearing thin. This has to be understood. It is no longer enough to just convene grand meetings and adopt well-meaning resolutions. If poverty is not reduced, it will continue to be the breeding ground for terrorists and instability.

Muhammad Zamir is a former Secretary and Ambassador.

## POST BREAKFAST

**What is vital is that the world's wealthiest countries continue to work on writing off 100 per cent of the debt belonging to the world's poorest countries. The patience of the poor, specially the extreme poor in many countries, is wearing thin. This has to be understood. It is no longer enough to just convene grand meetings and adopt well-meaning resolutions. If poverty is not reduced, it will continue to be the breeding ground for terrorists and instability.**

example, Ghana spends more on repaying debt than it does on health; Zambia devotes more money to its creditors than it does to its education sector.

Such a situation is also present in many other countries in Asia and Latin America. This has been an important reason why very poor countries, in most cases are stuck in a cycle of debt (owed to the IMF, the World Bank, and regional development banks, much of it dating to the 1970s) that has made them unable to provide decent education and health care. This tragedy has been further complicated by the nature of accounting and the process of repayment.

The interesting aspect is that many of the poor countries have paid back in interest more than they originally borrowed, but have not been able to touch the principal. Consequently, the cycle has continued. Nigeria, for example, borrowed

few days ago, the international bodies appear to be hamstrung by arguments between the wealthiest and most influential countries over how the debt relief should proceed.

Britain's Gordon Brown has his own complex plans, which involve revaluing the IMF gold reserves at market rates and using the surplus to pay off the debts of only 27 poor countries. Such a view is based on the contention that the IMF owns more than 103 million ounces of gold, a hold-over from the gold standard days that it continues to value at about 10 per cent of the market price. It is argued that the IMF could sell a small part of that gold at market rates or simply revalue it for the purpose of accounting that would in turn finance debt cancellation painlessly.

Mr. Brown's plan is however opposed by many within the IMF, including the US, which has its own plan. Some developing nations such

can be won only when both sides can declare victory.

There is also the thankless task of preparing the minds of people, including of those whose minds have been sealed by the rigid glue of hyper-patriotism. This is a fever that Army establishments are particularly prone to. President Musharraf must address both the cantonment and the country outside, heavily populated by jihadis who have created a five-decade vested interest in war with India. Prime Minister

and World Bank and in its decision making. Membership of the two institutions now totals 184 countries, but the G7 industrial countries account for around 40 per cent of the total votes. Most interestingly, Africa accounts for a quarter of the membership and just over 4 per cent of the vote. Belgium (population 10 million) has more votes than Nigeria, Ethiopia, Zambia, Tanzania, Mozambique, and South Africa combined (total population around 300 million). Africa's voice is further weakened by an unwieldy and profoundly unfair system of executive management. Africa, unlike the larger industrialised countries has just two executive directors to represent 44 countries. This under-representation among the poorer countries is further compounded by political overload.

Developing nations, particularly the poorer bloc, also face other drawbacks. The sheer size, diversity,

## Noh drama in Kashmir



M.J. AKBAR

A cosmetic decision should not be confused with a false move. The decision to reduce the presence of Indian troops from the Kashmir valley is in a sense cosmetic, since Prime Minister Manmohan Singh has not thereby weakened India's defences. Most armies follow some variation of the Powell Doctrine. In the 1991 Gulf War, Colin Powell, now George Bush's unlamented ex-Secretary of State, was chief of the US armed forces and established an overwhelming superiority in numbers and resources before starting action.

The one four-letter word that modern generals rarely use is "risk." Alexander at Gaugamela against Darius III in 331 BC and Babar at Panipat against Ibrahim Lodi in 1526 AD might excite military romanticists, but they leave practicing soldiers cold. Alexander took on over 200,000 Persians with just 50,000 Macedonians, placing his faith on strategy and destiny. Babar faced an army of over 100,000 with about one-tenth that number, putting his trust in a park of artillery and conviction. But sensible generals know that God is generally on the side of big battalions. As Stalin asked when told about the power of the Church: how many battalions does the Pope have? By reducing the number of troops, India's Prime Minister is not really diminishing

ability. So is it just another empty gesture? No, if only because it is a vital signal.

The key difference between a dictatorship and a democracy is that in the former the government is stable but the system is unstable. In the latter governments are unstable, and deservedly so, but the system has the strength to proceed with calm and continuity. There should be no surprise therefore that Dr Singh has shown no hesitation in pursuing the peace process with

bond of trust with the nation.

Could candour become a weakness? He was candid when he said in Srinagar that he had no mandate to change the geography of his country, implying that the best deal that Pakistan could expect from any negotiations over Kashmir is the status quo defined by the Line of Control. This was construed in Islamabad as a snub because President Pervez Musharraf has said more than once that if the LoC was going to be the solution then it could

can be won only when both sides can declare victory.

There is also the thankless task of preparing the minds of people, including of those whose minds have been sealed by the rigid glue of hyper-patriotism. This is a fever that Army establishments are particularly prone to. President Musharraf must address both the cantonment and the country outside, heavily populated by jihadis who have created a five-decade vested interest in war with India. Prime Minister

vinced would not survive without the active support of powerful elements in the Pakistan establishment (all right: that is the polite phrase for ISI and its allies in uniform, the bureaucracy, and political life). Just in case anyone wanted reminding, insurgents welcomed Dr Singh with a gun battle in an area that was supposed to have been sanitised in advance of the Prime Minister's visit. Its failure does not diminish the audacity of the attempt, or the explosive impact of

recorded by the British in Malaya, but the British succeeded because they treated it as a police problem rather than an army one, and the difference is significant. There was a parallel political process through which the communists in Malaya were marginalised and eliminated from the independent power structure.

Both views, hard and soft, are represented in the mix that constitutes any government, and their influence rises or ebbs with circumstance. Even as he pursues his options with Islamabad, Dr Singh has sent signals to the valley that reason and dialogue can achieve what bullets and guns cannot. The presence of soldiers always creates incidents that embitter people, and little can be more hateful than even an isolated case of brutality.

Change is a slow dance, and nothing is more injurious to a dance than a push, even if it be a well-meaning push in the right direction. A push destabilises the dance, and any choreography between India and Pakistan needs the management of classical experts. As noted earlier, a scene has been set, and the drama has been set in motion. But this is not Kathakali. It is a political version of the Japanese Noh drama, where meaning must be read into absence of movement even as nothing ever stands truly still. Pakistan does not want to be deceived by stagnation, which is a fair worry. India does not want to be rocked by pace, which is equally hazardous to the health of the subcontinent. We need doctors who can find the correct dose for the right moment in an illness we know to be critical, for while medicine heals, an overdose can also kill.

The doctor must be patient. And that of course is not the only paradox in the affairs of India and Pakistan.

MJ Akbar is Chief Editor of the Asian Age.

## BYLINE

**It is a political version of the Japanese Noh drama, where meaning must be read into absence of movement even as nothing ever stands truly still. Pakistan does not want to be deceived by stagnation, which is a fair worry. India does not want to be rocked by pace, which is equally hazardous to the health of the subcontinent. We need doctors who can find the correct dose for the right moment in an illness we know to be critical, for while medicine heals, an overdose can also kill.**

Pakistan initiated in the last phase of his government by Atal Behari Vajpayee. In many ways he has strengthened it, both by his own involvement as well as by proving that this is a bipartisan effort. (Those in the BJP who would have loved to sabotage any peace with Pakistan, and whose ebbing strength must have revived with the gradual marginalisation of Vajpayee, must be feeling trapped. They are welcome to squirm in their self-imposed prisons.)

Sincerity is Dr Singh's strength. He began as a reluctant Prime Minister, which itself is a rarity in the grab-culture of Delhi. No one thought that his reluctance was a sham, as is so often the case with politicians who torture renunciation to death. Over the few months in office, this sincerity has created ripples of goodwill that have reinforced his credibility and built a

have been found in 1948. President Musharraf's instant reaction was to check the voltage of the light at the end of the tunnel.

Indo-Pak relations are both about horizons and process. Process demands a succession of open windows that both sides must strive to keep open. The offer to talk is not tantamount to a retreat from held positions, otherwise there would never be any space for diplomacy. Process is about optics and semantics as much as public negotiations and private parleys. It is a game of discretion in which patience is the ultimate virtue.

President Musharraf has been throwing any number of balls into the air in order to check which of these might come into play. This is fine, and necessary. But the temptation to score a point comes in the way of scoring a victory because, paradoxically, this is a game which

Singh has to look over his shoulder for the Modi brigadiers who believe that they can win elections only by demonising Muslims and Pakistan.

The delicacy of their mission makes the need for balance that much more essential. It is well known that you must not let your knees tremble when making a public speech. You cannot allow the knees to jerk either. There was a bit of the latter in President Musharraf's instant reaction to Dr Singh's Kashmir statements. The gloom-and-doom squad is already preparing obituary notices. But a little time should restore the equanimity that they created with their extremely successful meeting in New York.

Dr Singh's problems should not be underestimated. Dealing with Pakistan is difficult enough. He also has to contend with an insurgency in the Kashmir valley that many sound people in Delhi are con-

even marginal success. There was a strong last-minute attempt in Delhi to abort the trip, which the Prime Minister over-ruled. The temptation to harden the line under the stress of provocation is almost irresistible in government. Dr Singh did not shift his line. The decision to reduce troops was unaltered.

There has always been a debate in Delhi on how to deal with an insurgency between the "crush-them" lobby and "talk tough but also talk" group. International experience with insurgency suggests that the first to rarely win. The French tried it in Indo-China between 1945 and 1954; the Americans between the mid-Sixties and 1973. The French failed in Algeria as well as did the Soviet Union in Afghanistan. Any attempt by Israel to declare victory in Palestine sounds what it is, hollow. The one great success in a problem of similar magnitude was

## TO THE EDITOR TO THE EDITOR TO THE

## EDITOR TO THE EDITOR TO THE EDITOR

Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

### Why not the godfathers?

The Rapid Action Battalion (RAB) is chasing the most notorious criminals. Why can't it do the same to the godfathers? The real culprits escape unhurt! Mozir Dhaka

### Immunity of international monetary agencies

I have come to know for the first time that the Asian Development Bank (ADB) is enjoying immunity to our national rules and regulations as regards its operations in Bangladesh. I don't know if this continental development bank enjoys such non-accountability status in other countries also. If this bank has this undue privilege, then it has every scope of exploiting us--the 'lesser nations' and we don't have any tongue to

move inside or outside our oral cavity to utter anything against any injustice done to us. Bravo! Now we should realise how transparent international 'transparency' is.

Other international monetary agencies like the World Bank (WB) and International Monetary Fund (IMF) are also expecting such non-accountability status in our 'independent Bangladesh'. Our parliament is to discuss the matter if we should bow down to such 'international transparency' again or not. Our elected MPs can decide on the matter using their intelligence, wisdom, conscience and free thinking in this 'free country'.

If the general people are asked for comments then they will, certainly, utter 'might is right' and stop there! Though I am a member of that group I have some more words to speak since I am not directly under any pressure from these 'mighty' agencies.

If these agencies work for the benefit of the recipient people then

why are they afraid of being accountable? Are the people concerned so foolish that they don't understand their well-being? So they may raise some undue questions that may hamper the agencies' 'humanitarian works' and for that reason these agencies want immunity to the unjust and rather 'barbaric' rules and regulations of these 'lesser nations'?

I think the case is otherwise. Actually, these agencies are unjust. If they are just they need not enjoy any immunity to national and international rules. Rather, they would happily be accountable to every law formulated for the well-being of the humans.

MAS Molla BAAS, Dhaka

### Whose transparency are we talking about?

The recent news on immunity to WB has drawn my attention. It was published in The Daily Star on 01

November '04 under the title, 'Bill placed in House to give immunity to WB'.

I am concerned particularly about the comment made by our finance minister when he said, "It is true that there is no such instance of giving immunity to the World Bank. But it is also true that there is no incident of issuing *fatawa* or filing case against the World Bank, except in Bangladesh." I have a question for the honourable minister. "By saying this do you want to imply that no one can raise an eye-brow against the big brother WB? If being a Bangladeshi I can't file a case against any misdeeds of anyone, no matter whether this is an international Big Brother, then please tell me how can I exercise my constitutional right as a citizen of a sovereign country?"

I am also concerned about our civil society initiative to raise voice in this regard. The Shapthahik 2000 some time ago organised a

roundtable on this immunity issue in which many respectable intellectuals participated. But going through the names of our intellectuals so far I have not seen representatives of any leading human rights organisations like Transparency International, ASK or BLAST who could come forward to raise their voice on this issue (I would be happy to withdraw this comment if someone inform me that these agencies have already protested). Where are our eminent lawyers now to raise their voices?

Moreover, so far I know WB enjoys immunity in the countries where it had signed the Establishment Agreement, but it has no such agreement in Bangladesh or in any country in South Asia. So, the World Bank is not entitled to enjoy the immunity.

It is really funny when the donors like WB always pressurise the government for transparency and accountability. Asking for immu-

nity raises serious concern about the donors' own transparency. Are the issues of good governance, accountability only to be followed by the weak and poor while being rich and strong WB will enjoy the privilege to do whatever they like to do?

Tahera Jabeen UK

### DU epidemic

We, the resident students of Dhaka University, are walking a tight rope at present. Jaundice has upset not only us but also our guardians. Frankly speaking, our dormitories are not better than shanty houses. Our canteens and lavatories are not wholesome. The mushrooming mobile eateries on our campus are not hygienic. The authorities are very much indifferent to our sanitation and medicare. The concerned house tutors do not oversee the staff employed to clean our dormitory. They do not inquire of the condition

of our canteens.

Many students of some halls are suffering from hepatitis B. The premature demise of Abu Bakar, a student, has appalled me immensely as he was very close to me. Now we are panicked. They should take some concrete steps to ward off the impending disaster. Molla Mohammad Shaheen Dept. of English, DU

### Whither rural telephone?

India is going ahead planning for extensive coverage of telephones in the rural areas, using broadband over wi-Max, cordet, and power lines (DS Oct 29). The idea comes from the Telephone Regulatory Authority of India (TRAID).

What our BTRC (Bangladesh Telecom Regulatory Commission) is thinking? Nothing much, judging from the way the government-controlled BITB is handling the

telephone sector for more than a decade of suppressing supply over the huge demand for cheap telephone sets even in the cities.

The policies in the telecom sector have always lagged behind the market realities, till the mobile sector was opened to the private sector, and now see the resulting boom.

Lured by this lucrative business, the BITB is entering the mobile sector by coming December. The goal is not cheap, efficient service, but self-help behind the scenes, as we saw how the fixed telephone business became a victim of monopoly and corrupt practices. The image of the public sector has been ruined for ever (besides, that socialist era is gone).

Competition is an automatic regulator. It is time to trim the age-old fat from the ungainly body of ugly, shapeless BITB.

Md Abad Dhaka