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POINT * COUNTERPOINT

The doctrine of total compliance

SYED MAQSUD JAMIL

ONDOLEEZZA Rice, the new American Secretary of State, has marked her assumption of office by a whirlwind tour of Europe. She brings academic brilliance to her office. Generally, the academicians are known for conceptualising their professional duties. In American history this is reflected in global political doctrines. The Truman doctrine was sincere in its pious intentions of upholding sovereignties of Greece and Turkey. Nonetheless it was during President Truman's tenure Atom bombs were dropped on Hiroshima-Nagasaki, America got embroiled in Korean War and witch hunting was carried out under the name of 'McCarthyism in wholesale branding of liberals as communists. However, in the recent past the doctrine of dé tente carried out by Dr. Kissinge under the leadership of Presiden Nixon is lauded for its constructive engagement. It contributed considerably in easing global tension and setting in motion a process for the peaceful resolution of the conflicts of the world. Under the Nixon doctrine America did not bulldoze her way through her enemies and among her friends. In achieving her goal America was genuinely sincere in enlisting the support of her allies

The world after 9/11 is witnessing a different America, unrelenting in hunting down her perceived enemies, scornful of dissenting allies and asking for unquestioning support for the course she has charted Condoleezza Rice's predecessor Colin Powel was not an ideologue and as a career soldier pursued honourable exchange. His role was often eclipsed by the brusque bravado of the Defence Secretary Donald Rumsfeld, Dr. Rice would not however suffer such constraints since the President zealously embraces and pursues the conceptual scenario she ardently advocates. The world is going to see much vigorous actions and bellicose pronouncements from her and from her boss during President G.W. Bush's last term. She has her conceptual plan of the kind of world she would like to see for America,

and serving America faithfully Since she is an ideologue there is much passion and fury in her beliefs and the vision she is working on. Her conceptual plan is impervious to any flexibility and accommodation on the ground of implacable nature of its

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ideological content. She would brainstorm, cajole, befuddle and browbeat her allies in to her line of As for those who are thinking. regarded by America as evil or in other words a threat to her security, an affront to her leadership, or those who connive with, harbour or breed her enemies would be overpowered by hard eyeballing, by relentless form of constriction or by military might as the last recourse. In simplest terms it is you are either with us as faithful allies or against to be shunned or to be hunted down.

America's foreign policy under Condoleezza Rice would pursue a doal of worldwide alliance bound by the doctrine of total compliance. America would be stern about the effectiveness and solidity of the

keeper has placed her neighbours and Israel to take a critical stand against Syria. In the wilderness she could not but form an alliance with Iran. For that matter even Iran is not without her own domestic problem. It is altogether not impossible that few embers are simmering in the culturally vibrant Iranian society about further relaxation of clerical diktats. One can easily understand the security concern of Iran in building nuclear capability, being faced with an inveterate foe in the unchallenged leader of the world. The invasion of Iraq has brought the threat at its doorstep

President Bush in deference of his father's close association with Pakistan and of the consistent Republican tilt

with the Talibans

towards the country may advocate persuasion. But there is no doubt that under Condoleeza Rice the heat would be on Pakistan and it can be guite a test. American media has already predicted Pakistan a failed state by 2015 A.D. Baluchistan is a potential trouble spot with tribal discontent simmering. The world would wait to see how Pakistar walks the tight rope. America would not relent short of total compliance from Pakistan

Saudi ruling family has already faced

There is nothing wrong for the leader of the world to have her own vision of the world and for her to shape it accordingly so long it unites the world in peace and prosperity. Indeed knowledge can be a valuable implementing tool in fulfilling this vision. But it would be a completely different proposition if the leader wants to establish it with might. Unfortunately that is an autocratic conduct at the highest level, which does no justice to America.

One must however say that

Iranian leadership although clerical

in nature is not lacking in enlighten-

alliance to show any patience for squabbling, sermonising or dissenting partners. The major feature of the alliance would be faithful and obliging partners. It is likely that in his last term President G.W. Bush would be unbound in going after what he believes in because he would not have to seek a re-election. But how would he fare in forging an alliance of obliging nations bound by the doctrine of total fealty?

The focus would be on weapons of mass destruction (WMD) and on building common concern and stand against recalcitrant and pariah states acquiring nuclear weapons. In order to bolster it further, pressure would mount on the oil rich monarchies and autocratic states of Middle East to democratise their societies. This would make them more genuinely enterprising in severing links with suspect Islamic organisations and to cooperate faithfully in exterminating

terrorist apparatus in the region. It is clear that the first two names on the hit list are Iran and Syria Poorly for Syria she no longer has a Goliath in the former Soviet Russia as her guarantor. Furthermore to make matters worse Syria also does not have good terms with her Middle Eastern brothers. Her15,000 odd presence in Lebanon as a peace

ment and discretion unlike her the opening salvo from President Bush Middle Eastern neighbours. They when he made the critical observation would put up an impassive but dour on the need of democratisation of Saudi stand in beating down the threats Arabia and Egypt in his state of union and in staying away from speech. The strike has been at the very Saddamesque brinkmanship. Iran is foundation of Saudi monarchy unlikely to offer any rope to leash them in. Besides they have a Western democracy based on the rule of the plurality is not the constitutional redeeming prospect of Sistani Shias panacea for all societies. It must have a coming to power in Iraq. That would , compatible social set up as an essential be enough to keep America busy. It is condition for it to work as a sustainable certain that the Shiites in Iraq will system of governance. Democracy as take every opportunity that America we know is essentially a political system of western society necessitated by the offers in setting up an elected need to make absolutist monarchy government in Irag in order to prepare the ground for the latter's deferential of people's wishes. It honourable exit from the beleadeveloped over the centuries as a guered country, keeping their clout intact. Above all it is equally certain working arrangement among the three important sections of the society. that the Shiites would use the monarchy, feudal-agrarian society and opportunities to their advantage and the clerical section or the warlords in some parts of the world. There are other Unlike Colin Powel, the tactical variations as well. The British legacy is considerations of military support on generally much successful in this the ground would not make egard. In other parts, particularly in the Condoleezza Rice pliant in her Latin America, former communist dealings with Pakistan. Now that countries and the former republics of Hamid Karzai has earned a bit of USSR, the process is often disrupted by long periods of autocracy, legitimacy by democratic election and polls have been held peacefully regimented democracy and by ethnic

in Iraq she would have little squabbling. reservations in coming down hard on Peninsular Arabia has a Gen. Musharraf on flushing out Bin demographic mix of its own Laden, Mullah Omar and their band dominated by tribal loyalties and of faithful from the rugged terrains of pride. It constitutes the heritage of north and south western tribal areas. Arabia and it functions on consen-The American administration has a sus, not on plurality. Saudi lingering belief that a part of Pakistan government may buckle in a bit by Army and particularly their Inter some degree of relaxation of Islamic laws without rendering it vulnerable Services Intelligence ISI have knowledge of the hideout of the high to be overwhelmed by western profile fugitives. Besides the pestilence. One cannot sensibly usefulness of Pakistan has declined expect the law of plurality in Saudi Arabia without plunging the country to some extent for America with the air bases in Afghanistan firmly into an unending bloodletting of tribal conflicts and feuds. The Saudi secured and the alliance of anti-Taliban ethnic tribes lending useful society is not compatible with it. assistance. Only intelligence Obviously the Saudis would information on AI Qaida fugitives and stonewall and Dr. Rice would be heir activities is needed from committing the outrage of creating a Pakistan and Dr. Rice would be stern broader conflict and a third of the about full compliance from the ally humanity would be drawn into it. Dr tainted by unbridled activities of Rice should do well to stay clear of

Muslim hardline clerics and by such unnecessary brinkmanship. Yes. America can lean hard on reports of passive connivance of a section of Pakistan Armed Forces Egypt for democratisation. Indeed Egypt has the social framework for a democratic setup. It has seen too long a period of authoritarian rule Hosni Mobarak intends to carry on dynastic authoritarian rule, grooming

his son as a possible successor However democratic elections may not turn up the way America wants with secular parties ruling Egypt. There are good chances that like Algeria. Islamic parties would come to power. In Middle East, America has a handful of hot potatoes. Dr Rice can get away with talking tough but should tread softly. Conceptua solutions look attractive and smart on board, but practical application needs common sense and streetwise formulators. Besides it would be grave to take Israel as a partner allowing her to operate or her behalf.

There is no doubt about the mportance and the clout of Israel in resolution of Palestinian problem. But to use Israel as the surrogate power in striking at Iran and Syria would be disastrous, particularly in the case of Iran. If compromises America in countering Iran's nuclear capability, on two grounds, firstly because of the reckless nature of Israel as a surrogate power and secondly one may read it as an admission that Israel already has nuclear weapons. American President's pronounce-ment on possible role of Israel in striking down Iran is fraught with dangerous consequences.

America's foreign policy stance is continually shifting, in the beginning it started as a campaign to defeat terrorism, later during the Iraq War it shifted to WMD and now it is democratisation of Middle Eastern countries and even of Russia. This speaks of the lack of ethical steadfastness, which can be a great blow to the credibility of a country leading a unipolar world. One may ask did America speak for democ racy, when the generals deprived Islamic Salvation Front that swept the Algerian election from forming government, and the election result was nullified?

There is nothing wrong for the leader of the world to have her own vision of the world and for her to shape it accordingly so long it unites the world in peace and prosperity Indeed knowledge can be a valuable implementing tool in fulfilling this vision. But it would be a completely different proposition if the leader wants to establish it with might. Unfortunately that is an autocratic conduct at the highest level, which does no justice to America, a country that can pride her for many lofty and noble examples of healing the wounds of the world and of coming to he aid of mankind. The world looks forward to President G.W. Bush's second term that as the successor of a glorious legacy his administration would be sincere and enterprising in upholding and furthering the ideals that unite and build the world in just peace and shared prosperity.

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Assessing capital market Issues and prospects

The Bangladesh capital market still has a long way to go. It is growing, but the pace needs to be faster. With the support from government and multilateral institutions for capacity building this market has every possibility to improve.

MAMUN RASHID

T is encouraging to see that the capital market of Bangladesh is growing, though at a slower pace and is still at a nascent stage. The market has faced a lot of developments since the inception of Securities and Exchange Commission (SEC) in 1993. After the bubble and burst of 1996, capital market has attracted a lot more attention, importance and awareness that have led to whatever infrastructure we have in the market today. This flow of experience for the market further improved the awareness and knowledge level of investors as well as issuers.

Take a fresh look

Today -- about eight years after 1996 -- we now have improved versions of rules relating to public issue, right issue, acquisition, mergers and so on. On the secondary market, surveillance is more active and particular than before. These developments, that we appreciate, are actually the fundamental requirements that are in place today resulting from the continuous efforts of the government and multilateral agencies.

The capital market plays various roles in an economy. It acts as an intermediary between surplus units and deficit units of the economy and facilitates savings into investments. By also providing liquidity of these investments, the capital market ensures optimum allocation of resources. All these activities make it the engine for the growth of the economy. The financial market is organised into money market and capital market. Financial instruments have less than one-year maturity trade in the money market, while instruments have more than one-year maturity trade in the capital market -- though certain exceptions exist. Let us take a fresh look at the market to analyse the reasons behind this underdevelopment.

The access to the information remains a major problem in the market. While handful of institutional investors may enjoy certain benefits since they have an investment unit manned with qualified officers, nothing exists for retail investors. And, in the absence of independent research houses, retail investors primarily focus on advices given by their brokers, and rumours. This is frightening and it often leads to enormous losses for small investors who are vital for a low-income and preemerging market like Bangladesh. Filtering of information among different types of investors may leave scopes for manipulation, this assumption has been proven in 1996 at the cost of many individuals and households.

One of the biggest disadvantages of our capital market is the absence of a long-term debt market. Without a proper long-term corporate debt market, the dependence on bank financing to facilitate investment is very high. Also, it creates fundamental imbalance in the ratio of equity to debt financing in the economy. All these results in the market not having adequate number of fundamentally sound scrips and exert rampant price distortions in the market. Authorities are enforcing companies to list in the stock market. However, it should not be the ideal scenario. In that case why not publicly held companies list themselves, why not privatisation takes place by listing through stock market or government releases some of stakes with the very profitably run multinational companies? Authorities should think about introducing the government debt instruments to transact in the capital market. That will help in developing a market yield curve and bring in transparency in the valuation of debt and equity scrips. A portfolio investor will then have the option to reduce his average portfolio risk by adding these riskfree opportunities or vice versa.

An estimate suggests that the ratio of institutional-toretail investors is between 20-25 per cent, this is considered low for a developing market like ours. Institutional investors bring long-term commitment hence stability in the market. The presence of institutional investors also ensures better level of valuation due to

their specialised skills. While we do have public sector as well as private sector institutional investors in the economy, proprietary investment from these institutions is not significant -- other than Investment Corporation of Bangladesh that was created in 1976 and currently manages several mutual funds

Transparency builds trust

The level of corporate governance of international standard is lacking. Multinational corporates and institutions operating in Bangladesh often adhere to very high international standard compliance regime. Parent companies of most of these corporates and institutions have their scrips listed in developed markets. Unless the local market adheres to and effectively enforces a standard corporate governance system, there will not be a level-playing ground for international business houses vis-à-vis local operators.

The supply of securities can be increased if the SOEs are allowed to operate through stock exchanges Floatation of SOE scrips is expected to expand the market by a couple of times. Corporatisation of SOEs will bring in transparency as well as confidence on the government financial system. In a more developed market, institutional investors such as merchant banks. commercial banks, insurance companies, are major traders of securities. We need enforceable and more effective laws and rules to attract foreign institutiona investors.

Inadequate disclosure requirement and culture of familyowned conglomerates deter the expansion of corporate governance into the local industry. The regulators need to play an active role in removing the bureaucratic bottlenecks and promote rules that provide incentives to these groups of companies to list.

Fair valuation is the key

An important aspect for capital market is reflection of fair value of scrips. We find analysis touching the rise or drop in stock prices on a post-facto basis, but investors would be glad to receive projections and recommendations from research analysts. This is not adequately present in the current scenario, and due to this reason the market is not receiving attention of an important segment of investors, both foreign and local. Quality analysis needs to address this valuation issue in a more pro-active manner. The independent analysts should raise the flag when scrip is overvalued or undervalued, the intrinsic value of a traded security should be covered in the research paper. Investors are perhaps depending much on speculative analysis resulting into volatility in the market as opposed to fundamental analysis, which could attract more stable long-term investors who are sure about their investment tenure and expectations.

Given the developments in the regional capital markets we believe, it is now a matter of time for Bangladesh to initiate privatisation through capital markets. SOEs that have profitable track record or have potential for turn around shall be properly valued. Privatisation through public floatation creates the most public awareness widespread ownership, and this process can be easily used when large amounts of capital need to be raised. We need to develop capacity to price these issues by using acceptable valuation practices so that the subscriptions are acceptable to international investors.

In the final analysis, the Bangladesh capital market still has a long way to go. It is growing, but the pace needs to be faster. With the support from government and multilateral institutions for capacity building this market has every possibility to improve. We are yet to have in place several missing parts of the vital market infrastructure, and valuation and appropriate rules are essentia segments of this expected infrastructure.

Mamun Rashid is a banker and director of Chittagong Stock Exchange

Biodiversity -- which way?

GAZI NURUL ALAM

to America's woe.

Y a dictionary sense, Biodiversity is the total sum of flora and fauna in a given habitat that maintains a balanced environment. According to the view points of environmentalists, biodiversity indicates, with regard to the number, ecological status and frequency of all creatures living on this earth including plants and microorganism (bacteria). It is rather a common or popular term that refers to the variety and variability among living organisms and ecosystem complexes where they inhabit. So lastly biodiversity may simply be defined as the number of species of plants, animals and microorganism hat live in a particular ecological niche. In a wider sense, the term biodiversity refers to genetic diversity, species diversity and ecosystem diversity.

It is known to general people that the tropical and sub-tropical zones of the earth support the most diverse ecological conditions.

Tropic of cancer passes across Dhaka-Narayanganj, thereby placing northern one-third of Bandladesh in temperate and southern two-third in the tropical zone, geograhically speaking. The presence of the mighty Himalays on the north and the direction of monsoon winds have tremendous impacts on Bangladesh enabling her to have ecological conditions of tropical nature and share the rich potential of fauna and flora.

Bangladesh is approximately 147,570 square kilometers in area with an estimated total population of 138 million. It is very densely populated country of the world with more than 800 people per square kilometer. Bangladesh is uniquely endowed with rich and potential biodiversity which surprises the observers. Within its 56000sq miles it has a wide variety of biodiversity, the list of which is given below with comparative statement it shown with immediate neighbour India, and far away France and the world as a whole

There is broadly any region on earth that is not facing ecological catastrophes. Of the 1.5 million species known to inhabit the world, one-fourth to one-third is likely to extinct within the next few decades. Biological extinction has been a natural phenomenon in geological history. But man's intervention has accelerated the extinction rate all the more. Between the years 1600 and 1950, the rate of extinction went up to one specie every 10 years. But currently it is perhaps one specie every year. Unfortunately, 18 or 20 important animal species became extinct from Bangladesh in 19th and early 20th centuries, even before we could realise what was going on and why. According to IUCN, Dhaka at lot of animal fauna are at high risk now. So they have been treated as endangered species.

A list of endangered species of different animal groups, as prepared by IUCN is given below. Endangered

Known	EI
species	
Amphibia-19	
Reptile-145	
Birds-579	
Mammals-199	
Fishes-260	
(Fresh water)	
Plants 5000	
The last century saw	the

ne extinction of six mammal species including the Javan Rhino, the swamp deer indeginous to Sundarbans and over 46 wildlife species have been listed as endangered (The Daily Star, Feb, 17, 2002). Furthermore, 40 species of animals has been listed as threatened with extinction. It is not more than twenty or twenty five years ago wild cats (Jungle cats) were available not only in woodlands but also in the in-situ. Now due to over population and infrastructure development this species has been exterminated. Also Gangatic Dolphins and Otters are also threatened mammals.

Once upon a time, Bangladesh was unique for its various birds population of which 40 species are

nearly threatened. The most

endangered species of birds are

white winged duck, camb duck,

stork, crane, pheasant and patridge

Table showing a comparative picture of vertebrate fauna (Number of Species)

Animal	World	India	Bangladesh	France
Group		(11,27,345 sq. miles	(56,000 sq.miles)	(2,13, 610 sq.miles
Mammals	4327	317	199	43
Birds	9672	1500	567	267
Reptiles	6550	389	120	32
Amphibians	4000	206	19	32
Fishes	8411	1500	260	250
(Fresh water)				(Whole Europe)

Loss of biodiversity

Of course the loss of biodiversity is a global crisis, and such happenings are also common in Bangladesh.

same reason. It has been reported that fisheries catch has dropped by an average of 9 per cent every year over the past decade. Therefore Dr. Yousuf Ali, former Secretary of the Department of Fisheries writes that if the present trend continues, in 50 or 100 years there may be no open water fisheries production at all. Bangladesh has a rich variety of floral species also. Once upon a

Not only birds, fish resource of

Bandladesh is also depleting for the

time, most of the Bangladesh's forest had a rich variety of floras but nowadays due to the deforestation over harvesting, grazing, illegal felling, uncontrolled and wasteful commercial exploitation, floral species are depleting. Bangladesh has 4500 floral species out of which 80 species are endangered and 100 threatened. From a news report it is found that over-harvesting and top dying have caused a staggering 76 per cent decline in the number of Sundari trees. Diversity of native fish species is species

important to future employment and food self-sufficiency. But ongoing destruction of wetlands for agricultural use is a key threat to these species.

Causes of loss 54

organisms

practice.

efforts

researches.

8.

5. Illegal hunting of animals.

58

41

40

27

Factors affecting the loss of biological diversity include deforestation, forest conversion, agricultural and industrial pollution, irrigation, flood control developments, shifting land use and over exploitation of biological resources. Besides, almost all the terrestrial land is occupied by human beings, therefore the habitats of other lives are seriously hampered and they have to started decline. In the name of development work all over Bangladesh we care causing serious environmental degradation. Some of the salient causes for the degradation of biodiversity in both the terrestrial and aquatic ecosystem are given below: 1. Human interference for agriculture and settlement. Unsustainable use of natural 2 resources. 3. Hill clearing, cutting and destruction 4. Destruction of habitats of

But still we have a rich flora and fauna on our soil. We must save them with judicious approach to development. Suggested recommendations

The following steps may be taken for conservation of our valuable biodiversity:

- Preparation of inventory of biodiversity including ecologically critical areas and protected areas. 2. Promoting environment friendly
- activities.
- 3. Preserving, protecting and developing natural resources.
- Judicious exploitation of valuable 4 biological resource.
- 5. Promoting participatory community-based environmental resource management and environmental protection.
- Ensuring active participation of 6 the poor, especially women in environmental protection
- activities. Strengthening the capabilities of 7 public and private sectors to address environmental concerns.
- Creating public awareness for 8. participation in environment
- protection activities. Conserving non-renewable resources and sustaining auto-9. and eco-generation of renewable resources.
- 10.Promoting sustainable environment management in pursuit of quality livelihood and alleviating poverty.
- 11. Discouragement of monoculture.
- 12. Protection of domesticated plants and animal species in order to conserve indeginous genetic diversity.
- 13. Support for protecting traditional skills and knowledge for conservation.
- 14. Restriction on introduction of exotic species without adequate
 - investigations. 15. Multiplication and breeding of threatened species through modern technique of tissue

culture and biotechnology. 16. Protection and sustainable use of genetic resources/germplasm through appropriate laws and

wetlands and coral-reefs etc.

- 6. Traditional management practices. Encroachment 17. Conservation of biodiversity Short sighted development through network of protected areas including national parks. sanctuaries, biosphere reserves, Overexploitation. 10. Collection for zoos. studies and marine reserves, gene banks,
- 11. Loss of indeginous species by introduction of exotic species. Gazi Nurul Alam is a senior biologist.

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