

Dr. ElBaradei's Nobel Peace Prize is politically motivated

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from Princeton

THE media has spun the news of the Nobel Peace Prize awarded to the International Atomic Energy Agency (IAEA) and its chief, Dr. Mohamed ElBaradei, as a slap in the face of the Bush administration. President Bush and his administration has long tried but failed to remove Dr. ElBaradei from his job, and the award strengthens him, so goes the logic. The truth is quite the opposite.

It is true that before the US invasion of Iraq, Dr. ElBaradei was openly skeptical of the Bush administration's claim that Saddam Hussein had secretly reconstituted Iraq's nuclear program. Of course, no weapons of mass destruction, whether of the nuclear or the non-nuclear kind, have been found in Iraq. Dr. ElBaradei was also at odds with the Bush administration's claim that Iran was secretly attempting to develop nuclear weapons, insisting that all his agency could sign on to was that Iran had hidden for 17 years some of its nuclear programs from the agency's inspectors.

For the better part of last year, the Bush administration did try to block Dr. ElBaradei from winning a third term as the agency's chief, arguing that he was not strong enough to stand up to Iran as it covertly attempts to develop nuclear weapons. When the US realised that it had no support to remove Dr. ElBaradei, even from its western allies, the US relented and withdrew its objections. Dr. ElBaradei

LETTER FROM AMERICA

This is the second time in two years that the Nobel Peace Prize has been targeted against the Iranian government. It is as much an award for him and the IAEA as it is against the Iranian government and the Muslims. Dr. Mohamed ElBaradei and his agency are being rewarded for facilitating the possible UN economic sanctions against Iran and for enforcing nuclear non-proliferation selectively against Muslim nations.

was appointed to a third term.

With a third term under his belt, Dr. ElBaradei apparently had a change of heart, and began doing the west's bidding. Hitherto, the IAEA referred a nation to the UN Security Council only after a unanimous decision of the member countries. Although the decision to send Iran to the UN for possible UN Security Council sanctions for non-compliance with some aspect of the non-proliferation treaty was not unanimous, last month Dr. ElBaradei's agency did recommend that Iran's case be referred to the UN Security Council for possible sanctions. This was the key US demand all along.

Whatever the original intent, the nuclear non-proliferation treaty has only served the interests of the original five members of the nuclear club (US, Russia, UK, France, and China) very well, at the expense of the non-nuclear club countries. The nuclear powers feel free to, and have, invaded with impunity and occupied countries that do not possess the nuclear bomb. Evidence has been unearthed recently that President Richard Nixon was seriously considering the nuclear

option against North Vietnam; only intense anti-war movement at home put a stop to such thinking. Everyone knows that Iraq would not have been invaded if it possessed the nuclear bomb. India had always taken the moral high ground, reminding the nuclear club members that as nations possessing the nuclear bomb and having dropped nuclear bombs on human beings, they had no moral right to preach to other nations that they could not be trusted with the nuclear bomb. After the US legitimised India as a nuclear power last July, however, it was deeply disappointing to see India, a member of IAEA, abandon its long-held principles and vote to refer its near neighbour Iran to the UN Security Council for possible economic sanctions. India may regret this decision.

It stretches the limits of credulity to make the case that Iran is a threat to the US. Iran has neither the capability nor the willingness, nor is it stupid enough, to take on the mighty US. The country that has the most stakes and does not want a nuclear Iran is the only country acknowledged to be a nuclear power in the Middle East, Israel.

Israel wants to dominate the Middle East as the only nuclear power in the area. In one way or another, Israel has managed to neutralise all its major adversaries in the Middle East, such as, Egypt, Syria, Jordan, and Iraq. Only Iran remains standing. Willingly or unwillingly, America has become a front for Israel's determination to keep nuclear capability out of Iran's reach.

While India's status as a nuclear power is safe and has US blessing, Pakistan's is not and does not. The recent Pakistani diplomatic overtures to Israel have a lot to do with Pakistan's apprehension that as the only Muslim country to possess the nuclear bomb, it may be the target of a worldwide alliance of non-Muslim nations which have decided that to keep the Muslims nations subjugated, it is absolutely imperative that all of them be denied the nuclear bomb. The alliance is comfortable with the fact that the Christians, the Buddhists, the Hindus, and the Jews all have the nuclear bomb and can be trusted with it; only the Muslims cannot be trusted. Pakistan realises that as the sole Muslim nuclear power, its nuclear status is under

mortal threat. Iran knows that it is the prime target because of the alliance's determination that no more Muslim nations would be allowed to go nuclear.

This is the second time in two years that the Nobel Peace Prize has been targeted against the Iranian government. In 2003, Iranian dissident Shirin Ebadi was awarded the Nobel Peace Prize for her work opposing the Iranian government. That is why it is difficult to get excited about Dr. ElBaradei's Nobel Peace Prize. It is as much an award for him and the IAEA as it is against the Iranian government and the Muslims. Dr. Mohamed ElBaradei and his agency are being rewarded for facilitating the possible UN economic sanctions against Iran and for enforcing nuclear non-proliferation selectively against Muslim nations.

Without being so devious, the Nobel Peace Prize Committee should have done the honourable thing and award the prize to a much more deserving Muhammad: the father of the world renowned micro-credit phenomenon, Bangladesh's Dr. Muhammad Yunus.



Economy under threat?

MONZUR HOSSAIN

BANGLADESH is now being tested for its ability to maintain floating exchange rate regime. After initiation of the floating exchange rate in 2003, the depreciating US Dollar has accelerated in recent months. Is this inevitable? What policies can be undertaken in this situation?

Most of the researches in this area claim that short-term volatility is higher in the floating regime. There is wide disagreement among economists on which exchange regime can bring more stability and gain in welfare. In addition, comparative benefit in fixed and flexible exchange regime is still a contentious issue because there are many developed and developing countries that adopt either of the regimes. Continental European countries historically maintain fixed or limited flexible regime, while the US, Japan, Australia, New Zealand, etc. maintain freely floating regime after the breakdown of the Bretton-Woods

system in 1973.

In developed countries, the cause of exchange rate volatility is seemingly due to non-economic factors, such as speculation, or due to changes in economic fundamental factors, such as terms of trade, interest rate, reserve position, productivity, etc. However, in those countries, freely floating is not fully free -- there is practice of limited intervention in the market from the government side. Recently, Japan and the US have disclosed their so-called secret data on intervention in the foreign exchange market. Some studies based on this data show that Japan and the US authority often intervene in the market as a part of some sort of coordination. These coordinated efforts have been found effective in controlling the foreign exchange market in Japan. Interestingly, the Bank of Japan (central bank) earned a huge amount of money (9 trillion yen, 2 percent of GDP) during the last decade (1991-2001) from the intervention. Theory also justifies intervention in the foreign exchange market.

In sum, the dollar crisis and oil price hike are disturbing in real terms and worrying for the whole economy. Although not effecting the whole economy, munga is a serious cause of concern for a segment of the people of the country. These are the symptoms of formidable outcomes in the near future for which we must have proper preparation.

Of course, the Bangladesh situation is quiet different than those of the developed countries. Our financial market is underdeveloped and exchange rate volatility here is not due to speculation or fundamental factors, this is simply a temporary phenomenon of demand-supply gap (or, dollar crisis). However, this temporary crisis might have obvious effect on different sectors of the economy. Perhaps we cannot go back officially to managed floating rather we have to tackle the situation carefully and in an innovative way. Limited intervention might be more effective to maintain stability in Bangladesh's foreign exchange market. The main focus for developing countries like Bangladesh must be on short-term stability and long-term flexibility. Although there is worldwide growing concern on

bipolar view -- either fixed or float -- however, the de facto exchange regime of a big portion of countries still remains in the middle (intermediate regime).

Some other initiatives that can be taken to improve dollar supply may include imposing discipline on LC opening, encouraging remittance through proper channels, increasing activities against money-laundering, etc. Without restricting LC opening, some discipline like queuing system may be imposed for giving priority to import essentials and machineries first, and then the others. Regarding remittance, though not a new idea, I have firm belief that offering cash incentive for remitters can lead to a surge in remittance through proper channels. Since the government offers various types of cash incentives for exportable items, I hope cash

incentive for remittance will work more effectively and efficiently than the current one for exports.

Oil price hike

Recent oil price hike worldwide reminds us the situation of the 1970s -- two oil shocks during the decade for which the world faced severe inflationary situation, which in turn lead to the worldwide recession. Oil price shock has real effect on the economy as it has impact on prices and wages. Rise in oil price automatically raises the price of commodities and price hike translates worldwide quickly through import and export channels. If high oil price sustains, it would have impact on non-tradable goods and services too due to increased cost of living.

Some argue that the current oil price is not a shock like the 1970s -- it

is just a response of increased demand for oil especially of China and India's fast growing economies. If it is so, there is no real hope for oil prices to come down.

The situation is more worrying for Bangladesh as it has come at the same time as the dollar crisis. Dollar crisis is also somewhat related to the situation of oil price hike -- more dollars are required to buy foreign goods due to increased price. This reminds us of the world recession of the 1980s followed by oil price hike and high exchange rate volatility of the 1970s. We have to be more cautious and careful about the situation. This might have a downward impact on economic growth and development, and the cost would be formidable.

Munga revisited

Another difficult situation is waiting for the people of the northern districts -- the well known as munga -- a situation when people suffer from food scarcity as well as severe scarcity of income generation before harvesting season in December started. This is a recurrent event of every year for which some people even die without food -- a scenario of hard-core poverty in some northern districts. This is the time to start government short-term intervention and NGO initiatives in those areas so that the hard-core poor can survive. Oil price hike and inflation would be an added difficulty for these people. Recent news is that the government has allocated some amount in the budget to address the needs of these hard-core poor. We understand that NGO responsibility is much higher to bring those people out of poverty through micro-finance activities.

In this newspaper last year, I proposed for some short-term to medium-term and long-term measures to handle the situation. Long-term investment is necessary in those

areas, and short-term measures, such as the government's VGF and food for work program and NGOs' income generation programs, might be effective if they started from June each year. We often hear voices of NGO leaders and government officials from the seminars held at five-star hotels on containing munga, however, results are more or less unsatisfactory. We suggest that seminars must be held at munga-prone areas with the participation of the hard-core poor to hear about their voices and needs, so that necessary action can be taken.

In sum, the dollar crisis and oil price hike are disturbing in real terms and worrying for the whole economy. Although not effecting the whole economy, munga is a serious cause of concern for a segment of the people of the country. These are the symptoms of formidable outcomes in the near future for which we must have proper preparation.

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Fears about the next national election

MUHAMMAD NURUL HUDA

RECENT comments by a senior diplomat of a very influential country that aired apprehensions about peaceful holding of the next general election, likely to be held by the end of next year or in early 2007, gave rise to mixed reactions. The establishment reacted very sharply and no less a person than the Speaker of the parliament took note of the comment and reportedly asked the Foreign Minister to ensure that the foreign diplomats keep themselves strictly within the confines of diplomatic norms and protocol and refrain from meddling in the internal affairs of the country. As one goes by newspaper reports, one finds that the mainstream opposition political parties did not find anything adverse in the diplomat's comments.

Whether the powerful country's diplomat said something undiplomatic, as alleged, and whether the government sounded extra-sensitive about the propriety of such utterances may perhaps be left to the experts of the foreign office and other analysts of our political scene. What, however, should genuinely worry concerned citizens of Bangladesh is the peaceful and fair holding of the next general election, because the major political parties of the country belonging to the opposition have demanded basic reforms of the Election Commission and the caretaker government, without which they would not participate in the election. The government in its initial response has almost rejected the opposition's demands, adding that some of these

may be discussed in parliament if the major opposition party stops its boycott of the law-making body. The opposition in turn has said that they would compel the government, through mass-movement, to accept its demands. In fact, the opposition political parties are going to organise large-scale street agitation in support of their demands from late November, and the possibility of Awami League law-makers resigning en-masse in early 2006 is very much in the air.

The above positions definitely are not indicative of a positive election scenario, more so in the penultimate year of a political government in Bangladesh where, if past experience is any guide, as the incumbent's tenure nears the end, it behaves in a precariously despotic and insensitive manner, with the opposition displaying fearsome desperation to achieve its goals. So when desperation and despotism counter each other, there is a reasonable possibility of unwanted clashes taking place. Inevitability of such a scenario is encouraged and strengthened by the pathetic lack of sensitiveness to the public good by our political parties.

Insofar as the next general election is concerned, it is a matter of time to see how much of the utterances and threats of both the government and the major opposition, as mentioned hereinbefore, are real policies and strategies, and how much is just posturing. Whatever be the eventuality, there is an imperative need to allay the fears of the citizens with regard to the anticipated violence and mismanagement during the upcoming general election. The

informed quarters know that a reasonably fair and peaceful election depends largely upon the goodwill of the general population, strengthened and encouraged by mainstream political parties and civil society groups being supplemented by the legal and enforcement arrangements of an over-stretched administration. Let us, therefore, examine the state of preparedness of the concerned agencies that oversee our election vis-a-vis the premonitions of violence, mismanagement, laxity in

problem is not appreciated by many. It appears that a very vital administrative aid to ensure fair conduction of election has not received the appropriate attention. So when in neighbouring India electronic voting system is nearly complete, we are still bogged down over the voter ID project. Needless to mention that we have the right to know the details in this respect, because the constitutional body charged with the onerous duties of holding a credible election cannot

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enforcement, and partisan conduct of public officials, amongst others.

Some electoral malpractices

If recent experience is any guide, then one may say with some certitude that the malpractice of false or bogus voting will assume a worrying proportion in the next election, which will be contested by two desperate political parties. It would be relevant to recount here that we do not have as yet a central registration of the population and the consequent provision of identity cards for each voter. This is the ground reality although we all know that impersonation and related malpractices seriously mar the credibility of our elections.

The uniformed law-enforcement personnel will not be of much help in detecting the above fraud and how the election officials will handle the

perform its function satisfactorily without adequate preparation.

Voter list and the new election officials

There are reports of preparation of fresh voter list and alternately updating the present list. Going by newspaper reports one can see that no firm decision has been taken as yet regarding the options. The worrying part is that there is divergence of opinion amongst the Election Commissioners on this subject which admittedly is contentious because it facilitates voting fraud and crimes of other descriptions. Already there is allegation of this list being prepared by manifestly partisan persons or beneficiaries of the present government. Should it so happen then the apprehended motivated deletion, alteration, or addition will lead to serious law and order problem.

The recent appointment of 150 election officers, mostly allegedly partisan student and youth leaders belonging to the ruling party, is another problematic dimension of the conduction of election that might lead to serious altercation, resulting in violence. The fact that these persons have been appointed by the Public Service Commission will not mitigate the problem because ground reality and popular perception about the impartiality of public appointments do not appear to be reassuring.

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Against this background, the cancellation of such appointments as demanded by the opposition further complicates the prospect of fair and peaceful elections. It remains to be seen how the authorities handle this delicate scenario.

Conduct of public servants

All public servants entrusted with election duties come under the control and supervision of the Election Commission during a fixed period. That is the official position. However, posting of loyal and pliable officials in key positions by the party government prior to relinquishing power to the caretaker government has created administrative complications. In 2001, after the dissolution of government, thirteen Secretaries to the government were transferred on the very first day the caretaker chief assumed charge of

office. Later on, there was large-scale transfer of Deputy Commissioners and Superintendents of Police of districts along with wholesale transfer of all officers-in-charge of the police stations of the country. Whether such massive exercise, entailing huge expenditure of the public exchequer was in the real interests of impartial conduction of national election, has not been established beyond doubt. A particular political party continues to complain that officials hostile to them were deliberately posted to key

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positions and that such officials acted in a very partisan manner during the election. Many such officials were allegedly rewarded with prize postings after election. Whatever be the merits of such officials, the allegations of the particular political party cannot be brushed aside under the circumstances.

The key question, however, is what is the criteria of selecting and posting an impartial public official during election time. Officially, all public servants are regulation-bound to act in a neutral and non-partisan manner. The ground reality, however, is that officials appointed and posted by a particular party government are not considered trustworthy by the opposition. So what would be the scenario like during the next election? This issue would be very crucial because public servants in key

positions have considerable influence on the election process. Without doubt, there would be demands and counter demands, allegations and counter allegations about the suitability of a particular public official. The Election Commission and the next CTG would have to do serious homework to work out their strategy to face such eventuality and come up with reasonably satisfying solutions. The quality of law enforcement prior to and during the election will depend significantly on the handling of this issue. One has to bear in mind the premature retirement and superseding of a number of public officials by the present government allegedly on grounds of partiality and unreliability. The acrimony amongst public servants, both serving and retired, cannot be wished away. Proper law enforcement would compel a hard look at such unpleasant reality.

Deployment of armed forces

The deployment of armed forces personnel has had without doubt a salutary effect on the election process in Bangladesh. However, there were occasions when the political government was reluctant to deploy armed forces personnel even after repeated requests from the Election Commission. There were difference of opinion even on the manner of their deployment between the two authorities. The Election Commission conducts and manages the national election with the support of caretaker government, but the decision to deploy the armed services personnel for election, including its timing, rests exclusively on the President of the Republic, who, however, will have the

benefit of advice of the council of advisers and chiefs of the services. Past experience indicates that while the immediate past opposition political party insists on armed forces personnel deployment one month prior to the actual holding of election, the outgoing political party that wielded power recommends deployment one week prior to the election day. The time and the manner of such deployment will come under intense public scrutiny during the next election. Prudent and efficient handling of this issue will have immense impact on the law enforcement. The Election Commission and the caretaker government will be hard-pressed to make appropriate decision on this sensitive aspect.

From the above it appears that unless sufficient precautionary and remedial political and administrative action are taken in time, the election scenario will remain fraught with grave threats to public peace. The major political parties have a do or die mentality in their preparation for the battle at the hustings, which undoubtedly does not bode well for a democratic polity. For many, this looks like the last election of their lifetime. Unfortunately, such smaller men and women who somehow have been thrust into positions of national responsibility are sadly unable to look beyond their nose. The myopia of such elements disgraces the inherent goodness of our common folks, whose resilience and patience demand an enlightened management of the affairs of the state, including the election.

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