

Referendum in Iraq



ARSHAD-UZ ZAMAN

THE HORIZON THIS WEEK

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REFERENDUM in Iraq has been held under the US bayonet. That was to be expected. The result is a foregone conclusion. The Iraqis will approve the constitution by a sizeable majority. The next step, that is elections in Iraq under the new constitution will take place in January next. The new Iraq will take its place according to the plan drawn up in Washington DC.

In the meantime, the coalition led by the US continues to lose blood. Every once in a while, a major contributor to the coalition forces calls it a day and pulls out its troops from Iraq. Soon it will be Silvio Berlusconi, the Prime Minister of Italy, who will withdraw his forces from Iraq. There is virtually no possibility of any new country joining the coalition, which has remained on the ground thanks to the solo effort of US President George W. Bush. Britain, who has been a steadfast ally, is expected to run the course. In fact the Anglo-American coalition did not appear due to Iraq. How can we forget former British Premier Margaret Thatcher standing before her 10 Downing Street home, giving unstinted support to her friend, US President Ronald Reagan.

As the US-led coalition battles the Iraqi insurgency, the situation in Iraq continues to get worse by the day. The security situation remains volatile at best. The US is valiantly attempting to recruit a virtually brand new army and security personnel and train them to fight the insurgents. The forces that are ranged against the US-led coalition are mainly the remnants of former Iraq President Saddam Hussein's forces, who melted away on the arrival of the US-led forces that drove Saddam away from power and is now awaiting trial.

Those forces of Saddam Hussein and other fraternal forces have now joined hands and are continuing their murderous run on the coalition. Since more often than not the US-led coalition forces are beyond the range of

their guns or suicide bombings, the target is more and more Iraqi soldiers, police, and civilians. In fact the insurgents in Iraq have declared virtual war on not only the coalition forces, but any Iraqi helping the US effort in establishing a regime put in place by the US. We thus witness a tug of war in Iraq, where the US is attempting to put in place a regime hand-picked by them and facing total resistance from an insurgency which continues to grow in size and daring operation.

The US onslaught on Iraq has now moved to the new phase of establishing a representative regime. The fact that referendum has been held even as guns were held by the US forces will naturally embolden President Bush to move to the next phase, that is elections under the new constitution in January next. The fact that the Sunnis have been unable to foil the holding of the referendum is seen in Washington as a success of the US effort. There has been some feeling of disappointment at the low turnout in Kurdish North Iraq. That is explained by the certainty of the favourable result anticipated by the coalition forces. The Shia dominated South Iraq is waiting for the ripe fruit to descend on her lap when the US forces say good-bye. Indeed, pressure has been building on President Bush within his own country to withdraw the US forces from Iraq as

the list of killed US soldiers has grown larger. Although the approval rating of President Bush has dwindled dangerously, mercifully street demonstrations in US cities have been few and far between.

After the projected Iraqi elections in January it will be a whole new ball game. President Bush will certainly start winding up his adventure in Iraq. The US political community and specially his Republican Party will have no interest in continuing the Iraqi adventure as presidential elections will appear on the horizon and President Bush will become a real lame duck. And the aftermath of the Iraqi elections followed by the distinct possibility of US withdrawal and the fierce fight between the three Iraqi communities, the Shias, the Sunnis, and the Kurds, is bound to create a whole new situation. Since the invasion of Iraq by the US at the invitation of the Kurds, who were mercilessly tortured by Saddam Hussein, they have enjoyed a position of privilege. In the new order of things after January the power equation is bound to change.

Iraq, the second largest reservoir of world petroleum, will continue to attract world attention.

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Bracing the brunt of crises

ANWARUL HAQUE

THERE is no denying the fact that Bangladesh is passing through one of the most critical phases of its existence since its inception back in 1971. Never before has it been forced to grapple with so many critical internal problems in such a short period of time. It has been compelled to go through a series of crises, one following close on the heels of the other.

First, it was the Tengratila gasfield blowout on June 24; then there was the serial bombing of 63 out of 64 district headquarter on August 17; followed by fuel oil crisis; power shortage crisis, and uncontrolled price spiral crisis. Apparently, this has been a crisis central, for which the government cannot fully absolve itself of its responsibility. Apart from the fuel oil crisis, the rest of them have been the result of its own lopsided short-sighted policies.

Tengratila blowout

To start with the first one, the huge Tengratila gasfield blowout came first. Although the government has unsuccessfully tried to shift all the blame on the previous Awami League regime for the patently uneven shady deal with Niko, it cannot really wash its hands off it. Since the blowout it has been revealed through incisive investigative reporting in the media that apart from the sacked State Minister for Energy Mosharaf Hussein, another influential minister played a major key role in giving excessively undue advantages to Niko. So this man-made crisis, which cost the country hundreds of crore of taka in burnt out gas and other enormous environmental damage, has undeniably been due to corruption of the concerned people.

Serious charges like protecting an expatriate convicted murderer like Jhantu and his involvement in the Niko deal should have brought about immediate resignation from the minister concerned, if he was a self-respecting man. But in a rotten society like ours, power is more important than self-respect. Otherwise, how can he survive with so many spectacular political somersaults to his credit. The irony is that having served a hated military auto-

crat like Ershad as vice president, he has the cheek to call martial law "jungle law."

August 17

Close on the heels of the Tengratila blowout came the unprecedented simultaneous serial bombing of 63 out of 64 district headquarters. Such a country-shaking event took place at a time when Prime Minister Khaleda Zia was away to China for a 5-day official visit. Consequently, she had to cut short her visit and rush back home. Initially, there had been panicky reaction from the administration. Through leaflets the Jamaat-ul Mujahedin Bangladesh

became a liability for the party. With open indulgence from BNP, the Jamaat initially with two important cabinet portfolios like the agriculture (later industry) and the social welfare, has consolidated its already strong party base in all the nooks and corners of the country. It is now an open secret that many of the JMB activists who have been arrested had original Jamaati or Chattra Shibir (student wing) connections.

It is obvious that these bomb-toting JMB desperados and militants are posing a serious threat to our overall security. They have even allegedly infiltrated part of our bureaucratic hierarchy. Otherwise,

The latest international oil crisis, as we all know, has stemmed from an unlikely source. The shooting up of oil prices to nearly \$70.00 a barrel has originated directly from the forced closure of scores of oil refineries on the Mexican Gulf Coast directly hit by Hurricane Katrina. Now because of sudden spurt in oil prices in the international market, our beleaguered government was faced with the painful decision of increasing the local prices proportionately. Needless to say that it has added to the misery of common men. The arbitrary unfair increase in fares of transport of all kinds, which in turn raises transport cost of all consumer goods

food. The media's investigative reports must be lauded without any reserve for being fearless standard-bearers against endemic adulteration-related corruption.

Power shortage crisis

Last but not least is the crisis in the power sector. Despite all the tall talk of the government functionaries, the party-in-power has added only 80MWs of power by commissioning the Tongi plant last month. The proposed big power generating plants like Meghnath have failed to go beyond planning stage mainly because of blatant interference from the PM's office. The greed for more power and pelf has unfortunately resulted in unsolved gridlock in the power sector. No amount of high-sounding rhetoric can rescue the government for its ineptitude and inefficient handling of power generation. The shortage of nearly 1000 MWs of power is too big a gap to be filled by ministerial assurances. This reminds us of unpleasant memories of ex-Prime Minister Hasina's gross mismanagement of the power sector. This happens to be the lifeblood of any modern society and economy. This will inevitably lead to widespread public discontent.

Conclusion

The BNP can ill-afford such extensive public discontent in the coming year with another general election due in early 2007. Already it has alienated public sympathy by openly patronising endemic corruption in all sectors, extensive politicisation of bureaucracy, shielding a BNP MP from charges of abduction and murder, protecting the criminal gangster elements, both in its student and youth wings, failure to control the powerful wholesale syndicates of food hoarders, and so on.

Nobody but itself can rescue the party from this dire predicament of poor governance due mainly to ill-advised and short-sighted policies. All these critical factors nullify many of its commendable achievements in different sectors.

Anwarul Haque is an academic.

What is the price for the house of democracy?

FARID BAKHT

POLITICS in Bangladesh is a rip off. Ordinary people (that means poor) have always had better antennae than the middle class in judging politicians. Their patience in standing for hours in a line to cast their ballot is frequently misconstrued. They exercise their one-day of power, knowing that the day after tomorrow will be just like the day before yesterday. They have little or no expectations of meaningful change in their lives because they have worked out that choice between two thieving candidates is no choice at all. They know their vote has been bought -- with Tk 5 crore being the norm in a rural constituency.

The house

A few years ago, I had a conversation with a democracy activist in not-so-poor Gulshan. That person explained that our political process could be compared to a house being prepared to be rented out. What we needed was to educate the two sets of prospective tenants. They would compete for the right to stay in the house for five years and were told (trained) to act responsibly while they took occupation. Thinking about this analogy, I realised how a well-to-do individual can be so blasé about who will take occupation, as long as it is not his or her own house.

Normally landlords are very cautious and do not allow just anybody to take over their precious house. The worst cases are where the tenants refuse to ever leave, stealing the property. Others do not pay rent on time or are always behind. Yet others sub-let rooms without permission. What you thought was a "small quiet family of five" becomes a mysterious series of twenty-five relatives moving in and ruining the place. The bathrooms are smashed. The kitchen is trashed. Windows are broken. The whole place is reduced to shambles.

Once you had got rid of one bunch of "tenants from hell," you handed over the keys to another lot - who said they were nothing like the ones before. They really were different. OK, some of their *chachas* and

We can all agree that the perfect world would be one where democratically elected leaders implemented a real development strategy and obtain our gratitude so that we vote them in next time. I think fourteen years should be sufficient time for judgement. There has been nothing much to show for it. Evolution will not be replaced by an old-fashioned revolution. Nevertheless, we do need a revolution in thinking about how we are governed, by whom, and for what purpose.



older relatives might have been a little naughty, but these new ones were going to be good.

They lied!

Five years later, with the house trashed again, the landlord counted the cost. The rent barely covered the repair costs. Was it worth the bother?

The middle class (or the more intellectual parts) seems to think it was worth it. They have always relied on democracy propelling us to prosperity.

They can offer very little evidence for this, from the experience of Asia or Africa.

The Asian miracle economies were not ruled by true democratic regimes. Let us go through the list. The current favourite, China, is hardly a model of parliamentary democracy. Since 1949, they have been consistently far ahead of India

in practically every indicator of quality of life (except the right to vote). Per head, the undemocratic Chinese eat twice as much as one billion democratic Indians.

When South Korea was in its most rapid period of growth (1960s to 1980s), they were ruled by military dictatorships. For most of the last fifty years, a one party state has ruled Japan, Taiwan, Singapore, and Malaysia (at best through "guided democracy," which is a mask for preservation of power in the same hands). It is not the presence or absence of democracy that has determined whether a country has made it or not.

Prosperity and development has come about because of strategic vision, determined leadership, social consensus (forced or agreed), and geopolitical factors. When Mahathir Mohamad started this whole Look

East business in 1980, he and the other Asian leaders that followed were not scouring the region for democracy. They were looking for a model of development. We can all agree that the perfect world would be one where democratically elected leaders implemented a real development strategy and obtain our gratitude so that we vote them in next time. Don't look for perfection here.

I would like to see an opinion poll in Kawran Bazar or any other food market during the month of Ramadan. I would like to know whether middle class consumers (voters) are as enthusiastic for democracy as they were even five years ago, let alone in 1990.

Is this democracy?

The word democracy is part of the problem. We might think democracy involves choice, empowerment and participation in decision-making. Do we really believe we have democracy in Bangladesh?

I cannot see the point in a false choice between two sets of self-seekers. Like most citizens, I would turn a blind eye to "reasonable levels" of corruption as long as things got done. Bangladesh possesses only representative democracy. We send 300 individuals to Parliament to represent our interests. They lie to us, take our vote, and then proceed to enrich themselves. I used to buy the argument that "this is a process. It takes time. You have to be patient. New people will come in. There will be evolution." Not any more.

I think fourteen years should be sufficient time for judgement. There has been nothing much to show for it. Evolution will not be replaced by an old-fashioned revolution. Nevertheless, we do need a revolution in thinking about how we are governed, by whom, and for what purpose.

The house of democracy is on the verge of collapse, having been systematically destroyed from within. We have to find a new set of decent tenants, soon. I have not seen any, have you? Otherwise, the landlord will take down the To Let sign and go for a different solution.

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Impact of trade alliances on weaker economies

BIJAN LAL DEV

NEWTON'S 3rd law of motion says, "To every action there is an equal and opposite reaction." Regionalism and multilateralism also have such aspects. In America when NAFTA was formed in 1992, its promoters promised the deal would create hundreds of thousands of high-wage US jobs, raise living standards in all three countries and improve environmental conditions and transform Mexico from a poor developing country into a booming economy. After 11 years, Washington-based consumer rights group recently estimated that 525,000 US workers were certified as NAFTA casualties because their jobs were transferred to Mexico. They have inferred that NAFTA has brought about an erosion of workers' rights, real wages and environmental standards across the region, although intra-regional trade has been doubled by 2003.

International Labor Organisation recently conducted a study highlighting policy constraints under globalisation. Examining the process of globalisation, tracing it back to the 1970s and 1980s, the study revealed that the globalisation process has become equated with the global application of Washington consensus, a model that has been promoted by the Washington-based international financial institutions. The report, "Economic Security for a Better World" based on the study adds, the WTO rules now encompass the sovereign territory of governments, including industrial policy, farm subsidies, regulation of services, and intellectual property protection resulting economic insecurity to the weaker economies. The study cautions that economic security remains out of reach for the vast majority of the world's workers, about three-quarters of who live in circumstances of economic insecurity. Estimates by the World Bank suggest that the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) could almost quadruple the \$15 billion a year that develop-

ing countries paid industrialised countries in technology licensing fees in 1998. In sum, the report says, while the WTO has been instrumental in leveraging economic openness and liberation of economic activities, its rules appear to have more effect in constraining policy choices by poor countries than by richer WTO members.

Another ILO study "Global Employment Trends for Youth 2004" has found that the youth (15-24 years) account for 25 per cent of the working-age population (15-64 years) but

stagnated or declined in 24. Only seven of the LDCs -- Angola, Bhutan, Chad, Eritrea, Mozambique, Rwanda, and Sudan -- achieved the 7 per cent growth target set under the Programme of Action for the LDCs for the Decade 2001-2010 adopted at the 3rd UN conference on LDCs in 2001.

According to the UNCTAD Report 2004, net inflows of FDI to the LDCs reached \$5.2 billion in 2002 but 87 per cent, went to the top 10 FDI recipients in descending order Angola, Chad, Sudan, Mozambique, Equatorial Guinea, Uganda, Tanzania, Zambia,

India are the brilliant examples in this regard.

According to the studies on most African economies and some Asian poor economies, it is revealed that liberalisation along with slow export growth, decreased aid inflows, low level of investment and low investment efficiency, high rates of population growth and need for high rates of employment generation, tradeoff between domestic resource mobilisation and poverty reduction, weak linkages between export sectors and the rest of the economy and civil conflicts are the reasons for retarding poverty reduction and economic dynamism. Rapid and deep trade liberalisation has been associated with deindustrialisation, as import substitution industries have collapsed when they are exposed to international competition without adequate preparation. Bangladesh has been gathering such experiences since 1990s. Another hurdle for LDC exports as the aftermath of multilateralism is the standards of the products. During 1999-2001, no less than 42 per cent of LDC exports, UNCTAD says, faced environment-related trade barriers such as sanitary and phytosanitary standards and technical barriers to trade.

WTO-sponsored current wisdom is that the trade liberalisation is likely to have adverse effects on poverty in the short run, particularly when social groups that had benefited from tariff protection are exposed to increased international competition. But in a long run, the effects will be favourable because the trade liberalisation will increase the growth potential of the economy. Bangladesh should balance these two diagonal observations efficiently utilising optimally the available resources and opportunities.

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account for 47 per cent of the total 186 million unemployed worldwide in 2003. Out of these unemployed youths, 13.9 per cent accounted for South Asia. In Bangladesh, labour force growth is high. So it will be a great challenge for Bangladesh to harness the labour force demand and supply with the rise of regionalism and multilateralism spirit.

UNCTAD biennial Least Developed Countries report 2004 said, during 2000-2002, the world's 50 LDCs including Bangladesh on aggregate have done well in terms of GDP growth and export performance but lag far behind in social well-being. During the period, the real average GDP growth rate of the LDCs as a group was 4.9 per cent and their real per capita GDP grew by 2.6 per cent, in contrast to the 1.8 per cent reported for other developing countries. The real annual per capita GDP growth rate exceeded 3 per cent in 14 LDCs including Bangladesh but

Myanmar and Mali. The four LDC oil exporters Angola, Equatorial Guinea, Sudan and Yemen plus Chad, which is developing infrastructure for oil exports, garnered 63 per cent of all FDI inflows to the LDCs.

Multilateralism and regionalism do not agree with the theory of trade liberalisation and export-led growth and poverty reduction for LDCs. Although the three LDCs -- Bangladesh, Guinea and Uganda -- had observed trade effect during both 1990-95 and 1995-2000, for all the LDCs trade liberalisation plus preferential market access do not equal poverty reduction and integration into the global economy is found to be of no effect either. On the other hand, during the 1990s, the greatest improvement in export growth and growth of average private consumption per capita was in those countries that opened up only moderately during the decade, rather than those that opened up the most. China and

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