

The rise of the rest: The good news



FAREED ZAKARIA
writes from Washington

THE threats we face are real. Islamic jihadists are a nasty bunch -- they do want to attack civilians everywhere. But it is increasingly clear that militants and suicide bombers make up a tiny portion of the world's 1.3 billion Muslims. They can do real damage, especially if they get their hands on nuclear weapons. But the combined efforts of the world's governments have effectively put them on the run and continue to track them and their money.

Jihad persists, but the jihadists have had to scatter, work in small local cells, and use simple and undetectable weapons. They have not been able to hit big, symbolic targets, especially ones involving Americans. So they blow up bombs in cafés, marketplaces, and subway

But before we all sign on for a new Cold War, let's take a deep breath and gain some perspective. Today's rising great powers are relatively benign by historical measure. In the past, when countries grew rich they've wanted to become great military powers, overturn the existing order, and create their own empires or spheres of influence.

stations. The problem is that in doing so, they kill locals and alienate ordinary Muslims. Look at the polls. Support for violence of any kind has dropped dramatically over the last five years in all Muslim countries.

Militant groups have reconstituted in certain areas where they exploit a particular local issue or have support from a local ethnic group or sect, most worryingly in Pakistan and Afghanistan where Islamic radicalism has become associated with Pashtun identity politics. But as a result, these groups are becoming more local and less global. Al Qaeda in Iraq, for example, has turned into a group that is more anti-Shiite than anti-American.

The bottom line is this: since 9/11, Al Qaeda Central, the gang run by Osama bin Laden, has not been able to launch a single major terror attack in the West or any Arab country -- its original targets. They used to do terrorism, now they make videotapes. Of course one

day they will get lucky again, but that they have been stymied for almost seven years points out that in this battle between governments and terror groups, the former need not despair.

Some point to the dangers posed by countries like Iran. These rogue states present real problems, but look at them in context. The American economy is 68 times the size of Iran's. Its military budget is 110 times that of the mullahs. Were Iran to attain a nuclear capacity, it would complicate the geopolitics of the Middle East. But none of the problems we face compare with the dangers posed by a rising Germany in the first half of the 20th century or an expansionist Soviet Union in the second half. Those were great global powers bent on world domination. If this is 1938, as some neo-conservatives tell us, then Iran is Romania, not Germany.

Others paint a dark picture of a world in which dictators are on the march. China and Russia and

assorted other oil potentates are surging. We must draw the battle lines now, they warn, and engage in a great Manichean struggle that will define the next century. Some of John McCain's rhetoric has suggested that he adheres to this dire, dyspeptic view.

But before we all sign on for a new Cold War, let's take a deep breath and gain some perspective. Today's rising great powers are relatively benign by historical measure. In the past, when countries grew rich they've wanted to become great military powers, overturn the existing order, and create their own empires or spheres of influence. But since the rise of Japan and Germany in the 1960s and 1970s, none have done this, choosing instead to get rich within the existing international order.

China and India are clearly moving in this direction. Even Russia, the most aggressive and revanchist great power today, has done little that compares with past aggressors. The fact that for the first

time in history, the United States can contest Russian influence in Ukraine -- a country 4,800 miles away from Washington that Russia has dominated or ruled for 350 years -- tells us something about the balance of power between the West and Russia.

Compare Russia and China with where they were 35 years ago. At the time both (particularly Russia) were great power threats, actively conspiring against the United States, arming guerrilla movement across the globe, funding insurgencies and civil wars, blocking every American plan in the United Nations. Now they are more integrated into the global economy and society than at any point in at least 100 years. They occupy an uncomfortable gray zone, neither friends nor foes, cooperating with the United States and the West on some issues, obstructing others. But how large is their potential for trouble?

Russia's military spending is \$35 billion, or 1/20th of the Pentagon's. China has about 20 nuclear missiles that can reach the United States. We have 830 missiles, most with multiple warheads, that can reach China. Who should be worried about whom? Other rising autocracies like Saudi Arabia and the Gulf states are close US allies that shelter under

America's military protection, buy its weapons, invest in its companies, and follow many of its dictates. With Iran's ambitions growing in the region, these countries are likely to become even closer allies, unless America gratuitously alienates them.

The good news

In July 2006, I spoke with a senior member of the Israeli government, a few days after Israel's war with Hezbollah had ended. He was genuinely worried about his country's physical security. Hezbollah's rockets had reached farther into Israel than people had believed possible. The military response had clearly been ineffectual: Hezbollah launched as many rockets on the last day of the war as on the first. Then I asked him about the economy -- the area in which he worked. His response was striking. "That's puzzled all of us," he said. "The stock market was higher on the last day of the war than on the first! The same with the shekel." The government was spooked, but the market wasn't.

Or consider the Iraq War, which has produced deep, lasting chaos and dysfunction in that country. Over two million refugees have crowded into neighboring lands. That would seem to be the kind of

political crisis guaranteed to spill over. But as I've traveled in the Middle East over the last few years, I've been struck by how little Iraq's troubles have destabilised the region.

Everywhere you go, people angrily denounce American foreign policy. But most Middle Eastern countries are booming. Iraq's neighbours -- Turkey, Jordan, and Saudi Arabia -- are enjoying unprecedented prosperity. The Gulf states are busy modernising their economies and societies, asking the Louvre, New York University, and Cornell Medical School to set up remote branches in the desert. There's little evidence of chaos, instability, and rampant Islamic fundamentalism.

The underlying reality across the globe is of enormous vitality. For the first time ever, most countries around the world are practicing sensible economics. Consider inflation. Over the past 20 years hyperinflation, a problem that used to bedevil large swaths of the world from Turkey to Brazil to Indonesia, has largely vanished, tamed by successful fiscal and monetary policies.

The results are clear and stunning. The share of people living on \$1 a day has plummeted from 40

percent in 1981 to 18 percent in 2004 and is estimated to drop to 12 percent by 2015. Poverty is falling in countries that house 80 percent of the world's population.

There remains real poverty in the world -- most worryingly in 50 basket-case countries that contain 1 billion people -- but the overall trend has never been more encouraging. The global economy has more than doubled in size over the last 15 years and is now approaching \$54 trillion! Global trade has grown by 133 percent in the same period.

The expansion of the global economic pie has been so large, with so many countries participating, that it has become the dominating force of the current era. Wars, terrorism, and civil strife cause disruptions temporarily but eventually they are overwhelmed by the waves of globalisation. These circumstances may not last, but it is worth understanding what the world has looked like for the past few decades.

Fareed Zakaria is Editor of Newsweek International. This piece is part two of a four-part series.

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University sector reform

Fortunately, they were saved by an idea from Nobel Laureate economist James Tobin. The idea is based on the notion that while society at large benefits from higher education (the externality and public goods argument), the students also benefit. Thus, both the society and students must share the cost.

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WITH the announcement, by the government of introduction of open advertisement for the appointment of vice-chancellors of public universities (The Daily Star, March 21), the long-awaited reform of the university sector seems to be back on the agenda.

The reform agenda is bound to generate debates. In his column (The Daily Star, April 29), the eminent jurist, Dr. Kamal Hossain has argued for revisiting the Dhaka University Order 1973. He believes that, despite its good intentions, the 1973 Order is responsible for the excessive politicisation of the university and the decline in its academic standards. He supports the selection of senior university officials by a search committee.

The former vice-chancellor of Dhaka University, Professor Moniruzzaman Miah (The Daily

Star, May 12), while not denying the unintended damaging impact of the 1973 DU Order, is ambivalent about the proposed selection process by a search committee. He has rightly raised the issue of academic independence and the autonomy of the universities.

The issue is not whether the senior university officials are to be elected or selected. Both systems have flaws. One of the main demerits of the current election system is "in-breeding." The panels that contest the elections are composed of members of the same university. There is no scope for fresh blood and ideas coming from outside. Whoever is elected remains hostage to his/her patrons and supporters. His/her, or a group's, re-election prospects depend on recruitments based on party lines.

As we all know from the biological sciences, in-breeding is bad for genetic mutations. No wonder the academic standards of our public universities have rapidly declined.

Professor Miah is right when he fears that the proposed selection system can erode academic independence and institutional autonomy, two important ingredients for advancement of knowledge without fear and prejudice. The basis of his fear is real, as the proposed new system is a unified national search committee dominated by bureaucrats and government-nominated members. The government must allay any fear of interference or loss of autonomy for the universities.

Professor Miah has provided a very valuable historical account of the evolution of university governance. His suggestion to widely discuss pros and cons of different systems deserves serious consideration. In my opinion column in the Daily Star (April 28, 2007), I, too, advocated for wide discussions with the stakeholders on the issue of university sector reforms and, in particular, the selection of senior university officials through an open advertisement process.

The leading universities (private and public) in the world are run by their own boards of governors, headed by their own chancellors, who are generally prominent figures in society, e.g. social reformers, retired judges or educationists. The board of governors is composed of both elected and nominated eminent personalities. The elected members are the representatives of academic and non-academic staff and of the students. The board of governors, not a national search committee or body, appoints the chancellor and vice-chancellor.

The reform of the university sector must not stop at the appointment of senior officials. The reform must also aim at making the universities more accountable and competitive. The autonomy of the universities to raise funds, set their goals and introduce their own internal rules and regulations can go a long way in making them more accountable, competitive and efficient.

Public universities should be encouraged to raise funds through donations from the private sector, especially from their alumni. They should also be allowed to enrol a certain proportion of full-fee-paying students. Besides enhancing operational autonomy, these measures

will promote public-private partnership and enhance the performance of public universities as they compete for full-fee paying students and private funds. This will ensure that universities will produce high quality job-relevant manpower.

Government funding for public universities should also be performance based. The funding can be divided into two types -- operational and research. Operational funding is mainly for teaching, and can be linked to both the number of enrolments and the rate of successful completion. Similarly, research funding should be made according to publications in quality journals and the impact of research findings.

The reform agenda must also include admission and student fees. While each university can set its own admission criteria for different programs, the process should be made transparent and competitive. Universities cannot be allowed to lower the entry requirements to fill their initial allocation of enrolment quota.

The University Grants Commission will adjust the initial allocation of quota and funding based on the final number enrolled. This will ensure that universities strive for excellence to attract stu-

dents. It is a carrot and stick policy that rewards a good performer and penalises an under-performer.

Student fees are the most controversial and politically difficult issue. There is a strong belief that education is a public good and, hence, the government must provide it. There is also the question of equity; left to the market, the access of the financially disadvantaged will be seriously hampered. But how to ensure the sustainability of university funding, especially when we need to raise our standards by attracting highly qualified teachers and researchers?

Here the Australian experience is most relevant. In the early 1970s, the Whitlam Labour government made higher education free, which was hailed as a great egalitarian revolution. But within a decade university funding became strained. The Labour governments of Bob Hawke and Paul Keating faced a difficult political choice of re-introducing fees for higher education.

Fortunately, they were saved by an idea from Nobel Laureate economist James Tobin. The idea is based on the notion that while society at large benefits from higher education (the externality and public goods argument), the students also benefit. Thus, both the society and

students must share the cost.

James Tobin's student, Professor Bruce Chapman of the Australian National University, developed a formula for sharing the cost, and devised a scheme, called the Higher Education Contribution Scheme (HECS). Under HECS, students are required to contribute a certain proportion (approximately 25%) of the full cost, which varies from program to program. Society shares the rest through public funding.

The innovative part of the scheme is that it is income contingent. Students do not have to pay HECS upfront. They are allowed to defer, and the payment begins only after the income of graduates reach a threshold level. Those who elect to pay upfront get a discount.

Thus, HECS is basically a loan from the government. Students are getting interest free loans from the government to pay a certain portion of the cost of their education.

Of course, the success of the system depends on a reliable tax collection system, and one may argue that this will not work in Bangladesh, as our tax system is not so sophisticated. This is a weak argument, as the tax system needs to be modernised and strengthened in any case.

There is, however, no denying that there will be some leakage. For example, those who do not find a job or do not earn the threshold income will not repay. Those who decide not to join the workforce for various reasons will also not repay their HECS loan. This is the cost society must bear, because with education society becomes better in general. Moreover, under the current system, the government is bearing almost 100% of the cost. Under HECS, even with leakages, it would be bearing much less, making quality higher education funding more sustainable.

What about graduates who leave the country with high paying jobs overseas? Well, they can be tracked through the immigration system at the port of departure.

As a matter of fact, a number of developing countries with a poor tax system and high out migration like Bangladesh have adopted the HECS system. Its appeal around the world is rising rapidly, and Bangladesh should not remain behind.

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Save the forests, save the world

At last, the Conference of Parties (COP 13) to the United Nations Framework Convention on Climate Change (UNFCCC) in Bali, Indonesia, has agreed upon the future of the Reduced Emissions from Deforestation in Developing countries (REDD) as a carbon reduction tool in the post-Kyoto protocol regime that will come into action after 2012.

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The most important attribute of REDD is that it is the first major attempt from the developing countries in the climate change arena. Papua New Guinea and Costa Rica proposed at the climate talks in Montreal two years ago that reduc-

ing greenhouse gas emissions by avoiding deforestation should be incorporated urgently in a UN compensation scheme.

FAO estimates that 13 million hectares of the world's forests are disappearing annually, and that accounts for 20 per cent of all global greenhouse gas emissions. Most of the forest rich countries are located in the tropical and sub-tropical regions of the world and, because of extreme poverty, over 1 billion people depend directly on the extraction of forest resources for their livelihood.

If deforestation continues at the present rate then the tropical forests may be lost by 2050. This is likely to be true, but so far no international treaty has provided any

financial incentive for reduction of deforestation and degradation of the ecosystem in the tropics, except the Kyoto Protocol's Clean Development Mechanism (CDM), which allows investment from developed countries to compensate for their greenhouse gas emissions through forestry schemes for developing countries.

[In COP 13, most of the participants from developed countries asserted not to wait anymore about climate change and the projected impacts of deforestation and ecosystem degradation with particular concern of the role of forests as a carbon sink and ecosystem services to the humanity and biodiversity conservation as a whole.]

The World Bank has launched a multimillion dollar fund through the Forest Carbon Partnership Facility (FCPF) as an initiative to raise awareness about the global value of local forests elsewhere. Nine developed countries (Germany, UK, Japan, the Netherlands, Australia, France, Switzerland, Denmark and Finland) and a US based non-governmental organisation, the Nature Conservancy, have already made financial commitments to the FCPF totalling \$160 million.

The FCPF will take up financial and technical programs to build the capacity of developing countries in tropical and sub-tropical regions to minimise the impact of deforestation and improve their existing forest resources for

biodiversity, as well as for enhancing the livelihoods of the forest dependant communities with focus on indigenous peoples.

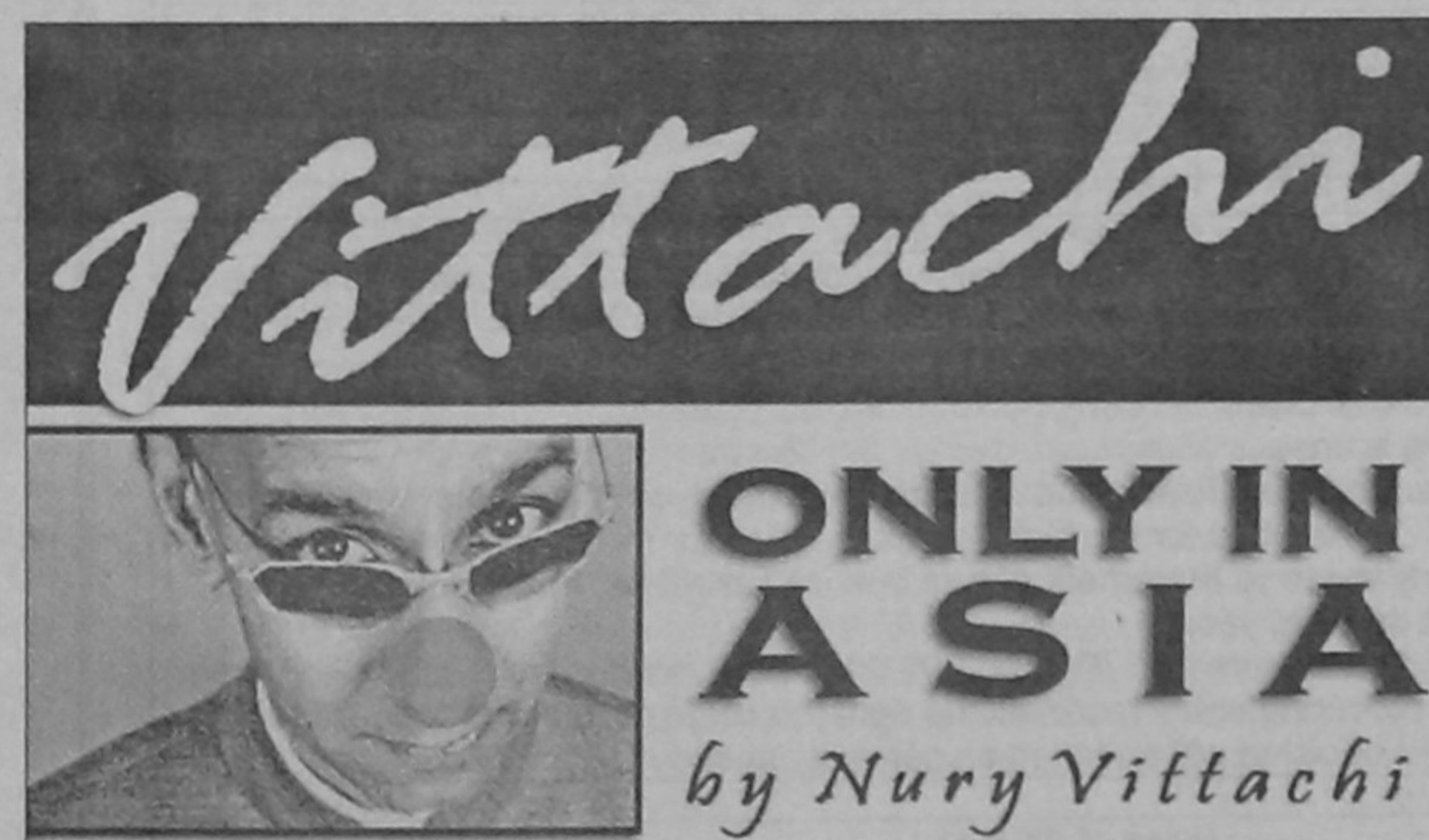
In this regard, indigenous people and forest dependant communities are to be given observer status like other constituents groups such as international organisations, non-contributing private sector, and non-governmental organisations in the FCPF governance.

The FCPF will use two separate mechanisms to implement the compensation scheme. In the first, the readiness mechanism will support approximately 20 countries to build basic infrastructural capacities such as preparing a national REDD strategy, establishing a baseline and creating a monitoring system in consultation with the indigenous peoples as well as other forest dwellers.

After preparing a readiness mechanism, successful countries will be allowed incentive payments for REDD. Then, as per negotiated contracts for reducing emissions, the selected countries or actors within the countries will be remunerated under carbon fund.

To date, many developing countries from Latin America, Africa and the Asia-Pacific region have expressed their interest in participating in the FCPF. Bangladesh had no significant achievement at Bali, yet REDD may be a new opportunity to be a part of it to protect our critical tropical forest ecosystems as a strategy to reduce carbon emissions and insure livelihood of the forest dependant communities as well.

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The worst song lyrics ever will have you reaching for a ladder

SCHOOLS all over Asia have started teaching English poetry using pop song lyrics. This plan is excellent in every way, except for one small drawback: the average pop lyricist has as much poetry in his soul as a bag of ready-mixed concrete with accountancy qualifications.

Here's proof. Your humble narrator was hanging out in a radio station with a deejay friend recently playing *Rebel Rebel* by David Bowie. We noticed the lyrics were just random phrases: "You got your mother in a whirl, she's not sure if you're a boy or a girl, hey babe, your hair's all right."

So we faded that out and put on *Champagne Supernova* by Oasis, one of the top bands of recent years. It went: "Slowly walking down the hall, faster than a cannonball." Hey, Liam, can I give you a bit of info? Fast things are fast,

whereas slow things are slow.

We went to the cabinet for music from the 1960s, a time when they knew how to write lyrics. One of the biggest hits was Jimmy Webb's *MacArthur Park*. "Someone left the cake out in the rain/ I don't think I can take it/ It took so long to bake it/ And I'll never have that recipe again/ Oh no, oh no, no, oh no."

We switched to Asian rock groups. From India, we found a song from a group called Top Hero with a chorus which goes, "Smoking is injurious to health, smoking is fashion today."

East Asians we found to be oddly sentimental. Cantopop star Leslie Cheung sang: "You have left/ Now everything is falling apart/ From that day on/ I fall in love with my left hand." A hit by Japanese band Strawberry Path goes: "Every little thing you used

to do makes my heart to cry."

Native English speakers were no better. *Still You Turn Me On* by Emerson Lake and Palmer has these lines: "Every day a little sadder/ A little madder/ Someone fetch me a ladder." To which we can only reply, yes, someone give him a ladder and somewhere high to jump from.

The winner of a bad lyrics contest held by the BBC was Des'ree, with a song called *Life*. "I don't want to see a ghost/ It's the sight I fear the most/ I'd rather have a piece of toast."

Logic problems are common in lyrics. Consider *Jailbreak* by Thin Lizzy. "Tonight there's going to be a jail break somewhere in this town," sings Phil Lynott. Okay, Phil, let's talk about this. Where in the town do you think the jailbreak might take place? How about -- just to pick a location at random -- the jail?

Sometimes rock singers get ambitious and try to write lines that rhyme. So in Black Sabbath's *War Pigs*, we have the couplet: "Generals gathered in their masses/ Just like witches at black masses." Hey, guys, "masses" doesn't rhyme with "masses". Look closely. Yes. They are the same word! Incredible.

But I think Asia can be proud of being the birthplace of the worst pop song in history. I refer, of course, to Haseena Maan Jayegi's *What is Mobile Number?* Which goes like this: "What is mobile number? What is your smile number?"

To which we reply, what is point of this song? Why it make us feel like jumping off ladder?

If you think pop songs are badly written, try our columnist's website: www.vittachi.com.



Dying plants, dying planet.