

Making Saarc real

Regulators can at least insist that operators from Saarc countries seeking to terminate traffic in other Saarc countries must be offered the lowest termination charges on offer. This will not bring down intra-Saarc call charges to domestic levels except perhaps in the case of calls to Pakistan, but it will at least eliminate the current Saarc surcharges.

ROHAN SAMARAJIVA

We have been talking regional cooperation for a long time; Saarc itself is over 20 years old. There must be some real results now; something that citizens can feel. This article makes a proposal that is easy to implement, and which helps in providing the lowest-cost mobile services in the world.

Then, we can refute the cynics who claim Saarc is a useless talk shop. Talk is what we do well; why not talk more, and cheaply, across the borders that divide Saarc? That would be a way to make Saarc real.

Minimal manifestations of regional cooperation

It is easier to do some things within a regional-cooperation area than outside. If one is a citizen of a country that belongs to the European Union, going to or doing business with another EU country is easier than doing so with a non-EU country.

Regional cooperation will feel real if it's easier to go to a Saarc country than to a non-Saarc country, or if it is easier/cheaper to communicate with a Saarc country

than with one that is not.

The easiest ways to go from/to Colombo, Dhaka, Kathmandu or Thimphu are via non-Saarc hubs such as Doha, Dubai, Singapore, or Bangkok. Part of the problem is that the transit points are in India, where the airports are not set up to be transit hubs. The other problem is the draconian Indian visa regime that most people navigate only out of sheer necessity.

With telecom, relationships may be maintained without actually crossing borders. Telecom operators in Bangladesh, Pakistan, India, and Sri Lanka are the lowest-cost mobile providers in the world.

In a rare collective action, Saarc countries that were members of the WTO entered an exception to the Most Favoured Nation (MFN) principle in the General Agreement on Trade in Services in 1997 for "different accounting rates for different neighbouring countries covered by Telecommunication Agreements entered into by [each Saarc country] with governments of neighbouring countries [other SAARC countries]."

This exception (which no longer has legal validity) is good evidence that Saarc not only believes that it

should be cheaper to call from one Saarc country to another than to a non-member; it has actually tried to do something about it.

What is the ground reality? Is it really cheaper?

International telecom prices

The cheapest prices from Pakistan are \$0.03 (fixed (f) and mobile (m)), offered to many non-Saarc destinations. The lowest Saarc prices are to Bangladesh, \$0.12 (m) and India, \$0.12 (f). The cheapest intra-Saarc price is four times that of the cheapest extra-Saarc price.

The cheapest prices from Sri Lanka are \$0.10 (m) and \$0.21 (f) to non-Saarc destinations. The lowest Saarc prices are \$0.14 (m to India) and \$0.32 (f to most of Saarc). The neighbouring Saarc countries cost 40-50 percent more than the distant US.

BSNL, the dominant fixed operator in India makes an exception for Sri Lanka, offering its lowest price of \$0.17 (same as to the US, UK, and Canada). All other Saarc countries are charged \$0.28, which is considerably higher than even to South East Asia. On the mobile side, no such exceptions are made:

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Understanding international prices

In Pakistan, India, and Sri Lanka, reforms have gone the furthest and the overall price levels are the lowest. Costs of international calls are determined by the termination charges imposed by the foreign operators who receive the calls.

Prices to the US and Hong Kong are low because those markets are highly competitive and the governments there do not keep termination prices artificially high. Pakistan offers a fixed/mobile minute to the US and Hong Kong, among others, at the extraordinarily low price of \$0.03. Sri Lanka comes next with a mobile minute to the US and Hong Kong at \$0.10, followed by India at \$0.15 for a mobile minute to the same countries.

It is unlikely that the US and Hong Kong operators charge higher prices from the other Saarc countries. Most likely, these Saarc operators do not pass on the low costs to their customers because of the lack of competition in the local markets. The fact that Indian and

Sri Lankan mobile operators offer lower retail prices to the cheap destinations than do their fixed counterparts supports the above explanation.

The proposal

Two actions are needed to make Saarc real to the citizens of the constituent nations, at least to a degree, by ensuring that calls within Saarc are cheaper than calls to non-Saarc destinations.

First, Saarc must direct its regulatory authorities to lower termination charges for Saarc-originated international traffic, ideally to domestic levels. This would mean, for example, that Bharti Airtel must pay Sri Lanka Telecom approximately \$0.015 only to terminate a minute on its network. That also means that the government of Sri Lanka must exempt Saarc-originated traffic from the universal-service levy (which is being collected without any use being made of it anyway).

There is a problem with the above recommendation: it violates the General Agreement on Trade in Services if the lower termination prices and the exemption from the universal-service levy are limited to Saarc countries. This was, however, the unrealised spirit of the unimplemented MFN exemption the Saarc members insisted on back in 1997.

There are two ways around the problem:

a) Charge domestic termination



(all except Pakistan, India and Sri Lanka), it would also be necessary to compel the operators to pass on the savings from lowered termination charges to their customers.

If these two relatively simple actions can be taken, we will make more progress toward making Saarc real for its people than all the declarations combined. And once the people start talking and interacting and doing business, who knows what could follow? Real regional cooperation, even?

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Whose friend?



FOZIA AKHTAR

THE World Bank claims that its goal is to help low-income countries by lending money for development works that will help reduce poverty and spur development, but it is, in fact, meant to increase the profits of multi-national corporations and to ensure that trade imbalances favour the wealthy countries over the poor ones.

The World Bank, IMF, and the WTO pressure low-income countries to adopt measures ("structural adjustment") to reform their economy. Yet, in countries which adopt such measures, the economy often lands up in worse shape than before they were adopted. The question is whether the formula works, and if not, why is the World Bank so eager to push it?

For many years, the one success cited by the World Bank and IMF was Argentina -- that is, until its economy crashed. Rather than blindly following the proposed measures, a government should consider whether such a move would be wise -- or whether it would be wiser to refuse their loans and advice.

Consider the case of the United States, which makes recommendations for privatisation, but does not follow them itself. The US government owns over \$2.85 trillion of assets. After adding the assets of state and local governments, the total investment in public enterprise is far greater than the stock market, making the US one of the most socialised nations.

Joseph Stiglitz, former chief

Superstar Obama in Berlin

The greatest danger of all is to allow new walls to divide us from one another. The walls between old allies on either side of the Atlantic cannot stand. The walls between the countries with the most and those with the least cannot stand. The walls between races and tribes; natives and immigrants; Christian and Muslim and Jew cannot stand. These now are the walls we must tear down.

NAZMUN NESA PIARI writes from BERLIN

BEFORE Obama came to Berlin, the serious, well-reputed German political weekly "Der Spiegel" put on its

cover page "Deutschland trifft Superstar Obama" which means "Germany meets the superstar Obama."

It proved to be so. More than 200,000 people came to meet Obama in the space between

Victory Column and the Brandenburg Gate. Here, recently, huge German crowds greeted their national soccer stars. The crowd turned out to be much bigger than expected. It was the biggest crowd the presidential

government raise interest rates to 30%, 50% or even 80%. The result is demolition of property values and industrial production, and draining of national treasures.

The third step is "market-based pricing." This means raising the price of food, water, and domestic gas. Unsurprisingly, this leads to step 3.5: what Stiglitz calls "the IMF riot," whereby the populace revolts due to its inability to access basic needs. Examples include riots in Indonesia in 1998 after subsidies ended, riots in Bolivia over water price hikes in 2000, and riots in Ecuador in 2001 over an 80% increase in the price of cooking gas.

The result is a depreciation in prices of assets, so that the sale price to foreign companies drops even further. Meanwhile, there is always plenty of money to bail out the banks. One particularly grotesque example of how this works occurred in Ethiopia, where the US ordered the government to divert European aid money to the US treasury, at 4% interest, while borrowing at 12% to feed the starving.

The IMF and World Bank required Tanzania to start charging previously free hospital appointments; never mind that 1.3 million people have AIDS, many of whom cannot afford to pay. After that condition was imposed, the number of patients treated in Dar es Salaam's three public hospitals dropped by 53%.

Following orders by the IMF and the World Bank to start charging school fees, school enrollment dropped from 80% to 66%. Thanks to the interventions of the IMF and World Bank, in just 15 years, Tanzania's GDP fell from \$309 to \$210 per capita, literacy also fell, and the number of the abjectly poor rose to 51% of the population.

The second step is capital market liberalisation. This involves repealing any law that taxes money crossing borders. The reason, supposedly, is to allow money to enter as well as leave; the idea is that investment will suddenly pour in. However, in many cases, the money simply flowed out.

In the era of modern banking, the process need not take much time. A nation's fiscal reserves can be drained in days or even hours. When this happens, to bring money back in, the IMF demands that the gov-

ernment raise interest rates to 30%, 50% or even 80%. The result is demolition of property values and industrial production, and draining of national treasures.

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candidate Obama ever talked to.

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Obama chose Berlin for his speech and not London or Paris because Berlin is a city of change

Sorry, it's about cricket

Rather, which is alarming, the standard of cricket in Bangladesh is showing a saddening downslide, and with that, hopes, emotions and enthusiasms of its fans. Cricket in Bangladesh is becoming a sad national story, breaking the hearts of the millions.

M. SHAH ALAM

I don't exactly remember the occasion when I saw Sachin Tendulkar in an after-match TV interview to remind us that "it is only a game, and has to be taken in that spirit." There is nothing to disagree with Sachin. Cricket is a game, and for that matter any other game is a game, and is to be played in that spirit. However, many other factors creep in.

Games are played between two sides. There would naturally be winners and losers. In any game emotion of the supporters as well as the players as well as the spectators as well as the officials is a big factor.

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has not. Soul searching and discreet attempts to find out the reasons are indeed necessary.

In whatever its version, Bangladesh defeated at least once each of almost all the world cricket stalwarts. There are also individual achievements of our boys which have become enviable records in the history of the game. Bangladesh cricketers have shown more promise at comparatively young age. Skills and talents of the Bangladesh cricketers have been frequently and lavishly praised by the internationally reputed expert cricket commentators. Then where are the problems? Why do the talents evaporate when they are to further mature and be more consistent in performance? Why they cannot be nourished and sustained?

It needs to be remembered that despite the utmost importance of physical fitness, skills, technique and practice, cricket is a mind game involving elements of nerves, temperament, pressure, sensitivity and uncertainty. It requires great deal of planning and management, which depends more on national guardians of the game. Training of the players must not be limited only to training in the field for skills, technique and physical fitness, but also extend to temperament and psychological training to enable them to take on the pressure of the game imposed. And, of course, national players of all age groups must come throughout the country.

Any game is primarily for enjoyment. Competition provides its glamour. Alarmingly, our boys do not seem to be enjoying the game anymore while playing the cricket giants. Their faces specially when batting do not always present a cheerful picture. This explains why they fail to play to their potential. This is the pressure -- pressure of expectation of the millions. And now is the pressure of so-called test status in cricket. Has it become a liability for Bangladesh, rather than an asset?

I clearly remember many of us criticising and even scolding, if not condemning, Gordon Greenidge, the former national coach, when he dared to comment that giving test status to Bangladesh might prove premature and hence counterproductive. Pre-mature birth may also leave its weakening marks on a child, from which it is not always easy to recover. However, there must be remedies.

Cricket is really a funny game, not only for its great uncertainties. It is funny for its very nature and duration. Five-day test, one day international, and now Twenty20. So many versions are unthinkable in any other game. Why are we to keep this test status system like keeping many traits of the English conservatism?

Barons of cricket will say it is not only a game, it is a tradition, a life-style, and a finer culture. But are not the costs too high for a modern life? Grandeur of cricket can be kept without test system. Cricket needs to be freed from its conservative test fetish in order to universalise it. Greatness of the game needs its democratisation and universalisation.

Let us choose the right version of cricket and eliminate its status fetish; let all participate in the qualifying rounds and then get together in the final round in the World Cup, as it is done in football as well as in many other games. This I sincerely believe will provide true enjoyment to the players and the fans, for which all games and sports have been created, and have become part of our life.

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