

## BNP, Jamaat talks with the government

*Bargaining too hard could only be counter-productive*

NOT unexpectedly, the talks between the caretaker government and the BNP and its alliance member Jamaat did not produce any results on Tuesday. Obviously, mere understanding between the two sides on making the polls free and fair, and ensuring a level playing field, did not provide answers to the questions raised by BNP bargaining hard all the way.

The party seemed determined to fulfil its seven-point demand, regardless of the government's conciliatory mood manifest in its overall position. The Election Commission has extended the time for the political parties' registration by five days and is ready to accept an interim constitution of any party adapting to the changes prescribed in the RPO with the proviso that the party will make it permanent within six months. So there is no sign of imposing anything that the parties cannot possibly comply with.

All this is aimed at holding the election on time and in a free and fair manner, which for obvious reasons should also be the prime concern close to the hearts of the parties. However, people would expect such concern to be reflected in the way the parties work to attain their objectives. Practically, a dialogue cannot be a one-sided affair where a party or the government will decide unilaterally what should be done to put the country back on the democratic track.

The goal is clear enough not to be confused with any partisan political expediency. And if give-and-take is quintessential to interaction with the government, we really cannot see what the BNP or the Jamaat is giving while asking for a lot.

After all that the country has been through in the last nearly two years, people would at least expect the parties to come with a very clear position. The BNP has demanded unconditional release of all "political prisoners". This is an example of partisan interests overshadowing even the understanding of how the law should be enforced. In the first place, people accused of corruption, and some of them have already been convicted, can by no means be treated as political prisoners. And the BNP cannot be unaware that corruption assumed unmanageable proportions during the four-party alliance government's tenure. So how can it demand release of those convicted of corruption without being conspicuously disrespectful of the legal process?

Return to democracy is now a top national priority. The political parties should move in that direction without losing sight of our (theirs too) goal.

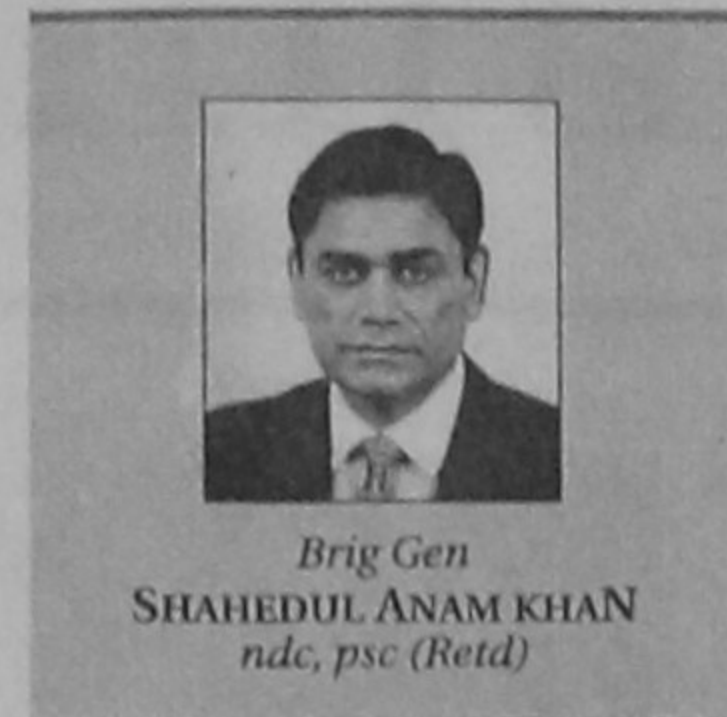
## At last, we have an authentic voters list!

*It is a step that strengthens our faith in democracy*

THE country has finally handed over a printed electoral roll containing the names of 8.11 crore voters in the country. There is thus in hand, and finally, an authentic voters' list that will greatly contribute to the credibility of the promised general elections in December. Moreover, such a list, compiled with the active assistance of the military and employing local manpower, will stand the country in good stead at future elections. We had earlier written on the need for a credible voters' list in order for the electoral process to become substantive and acceptable. That has now been done, which is appreciable. There is now a national database, built on the strength of modern technology, which is a clear turning away from the obsolete, holes-ridden system of voting we have had till now.

An important component of the voters' list this time has been the inclusion of photographs. That again provides an unimpeachable basis for the issuance of national identity cards to citizens in the near future. Obviously, it is an achievement we can justifiably be proud of, seeing that this new list is a vast improvement over what the country had been treated to in the past. The nation remembers with much sadness the inclusion of as many as 1.5 crore false or fake voters in that list, prepared under an Election Commission clearly guided by blatant political considerations. We are happy that at last the Election Commission, with of course the healthy cooperation of the civil administration and the military, has now given us a list to be truly happy about. Another cause for our happiness is the relatively short span of time that has been spent in the preparation of the list, given especially the estimates earlier by some quarters about the number of years that would be needed to have it in place. With the field level registration of voters completed and now the final list being there, we can safely tell ourselves that we are now ready for the next move. And that is a peaceful, enlightened casting of votes at the December elections.

## Prove the skeptics wrong



Brig Gen SHAHEDUL ANAM KHAN, ndc, pse (Retd)

BY nature we Bengalees are skeptics. And when it comes to politics the natural inclination works overtime to influence our views of political events, particularly the future scenario. That an air of uncertainty about the election is affecting us can't be denied, and that is causing us to look at the prospect of election with a wary eye.

The misgivings stem from several things, particularly from newer preconditions being put by the Big-2 everyday.

With the dates for the parliamentary and upazilla elections having been announced, one would have expected that everyone concerned would have moved in full gear towards December 18.

But the political parties, at least the AL and BNP, are putting out confusing signals, which have added further to our misgivings. This has been amply reflected in the comments made at many roundtables and other forums in the last few weeks.

However, one notices a great

## STRATEGICALLY SPEAKING

By nature we Bengalees are skeptics. And when it comes to politics the natural inclination works overtime to influence our views of political events, particularly the future scenario. That an air of uncertainty about the election is affecting us can't be denied, and that is causing us to look at the prospect of election with a wary eye.

deal of enthusiasm in the people, and there is a scramble to register as political parties, except for the BNP and Jamaat, given that nearly a hundred registration forms have been collected from the EC. It is mind boggling that there are so many aspirants to register -- but it only demonstrates our psychological disposition towards politics.

That the BNP and Jamaat held meetings with the CA only a day before the original cutoff date for party registration indicates on the one hand that the parties are not very serious about RPO - 2008 (Amended) and on the other that the EC (and the government) is prepared to be flexible in implementing its provisos.

The question is, to what length are the EC and the government willing to go to accommodate the demands of the BNP and the AL. Although there are major differences of view insofar as the RPO is concerned, the two had been rigid on their position of not participating in the election under emergency.

But, the latest position of the two major parties is that they would not

participate in the elections if for some reason their leaders were not able to contest the forthcoming parliamentary polls. Are we to understand that there is apprehension in the minds of the two parties that their leaders might be kept out of the political process somehow or the other? If that be so, the government must help put that to rest. Any contrived mechanism to keep the two leaders out of politics will be counterproductive.

In the case of the AL, while it has applied for registration, its blowing hot and cold on the issue of participation in the election is quite confusing. Its latest precondition to the EC -- not to contest if Sheikh Hasina was kept out of the hustling -- has added a new dimension to the matter.

At the same time, it says that it is not prepared to see the election being put off. And now we have the mayor of Chittagong, a frontline AL leader, who says that his party is willing to take part in the election even under martial law.

As for the BNP, its present stand on election is understandable -- and it has employed a strategy, that

it knows the government will succumb to, given its compulsion to see that the Big-2 participate in the election -- to extract as many concessions from the EC and the government as possible.

It has succeeded, to start with, in getting the latest date of applying for party registration put back by five days (the CEC looked visibly proud while saying that he had resisted the 4 - Party demands for seven days extension).

But perhaps the most distressing upshot of the developments of the past several weeks has been the erosion of public perception of the CTG as a "neutral body." Why is it that one city mayor, on bail facing charges of corruption, is prevented from resuming office while it remains unconcerned about another city mayor continuing to hold office while facing similar charges of corruption? While, for both, procedural niceties demand that they relinquish their posts pending disposal of their cases, the CTG's action with regard to the two conveys the wrong impression.

While its only stake should be to ensure a free fair and participatory

election, it appears that there is more at stake for the CTG than meets our eye. Why is it that the public is not let in on the substance of the dialogue between Dr. Hossain Zillur Rahman and Begum Zia at the latter's residence?

After all, if the matter has to do with the political future of the country nobody can hide behind the excuse of "classified matter." The people have the right to know. And no man who holds public trust can hide behind the excuse of confidentiality lest it gives the impression of backdoor dealings.

There is, too, a mixed feeling about the current round of dialogue. What purpose would it serve? What is one to make of the statement of the CTG following the inconclusive meetings with BNP and Jamaat that there would be further meetings to resolve matters regarding the re-demarcation of constituencies and the emergency?

As for the redrawing of constituencies, it is a matter lying with the court, and the government has already said that while it would not lift emergency fully it would be further relaxed. Will the CTG wilt under pressure from political parties whom, there is a perception; it is bending backwards to accommodate?

There are perhaps none that have any interest in the election being botched, except perhaps those to whom it has become evident that the outcome would not be in their favour. There is no alternative to election, and all the parties involved must act to prove

the skeptics wrong.

We believe that the CTG would not like to see the December election foiled and is doing everything to see that it is not. However, it must do a bit more and address the issue of election under emergency, since there is a mismatch between election and emergency.

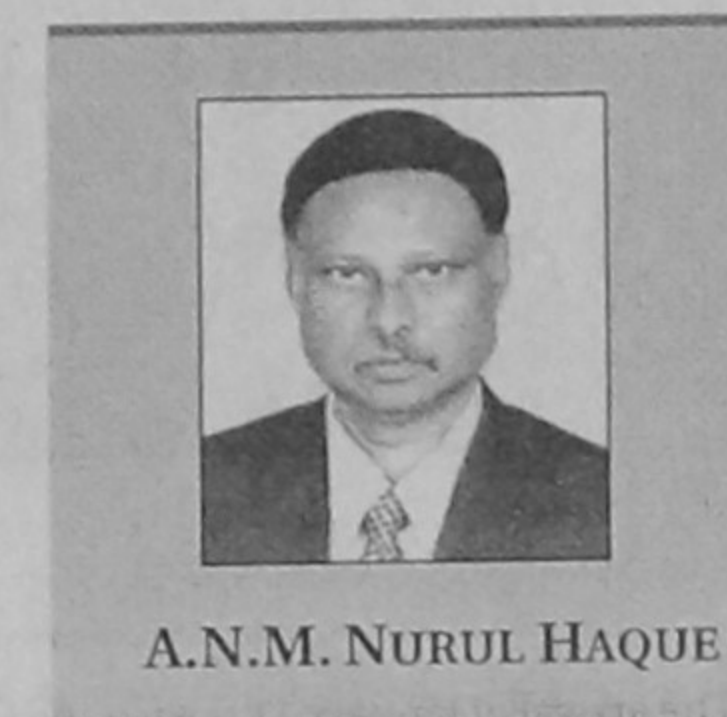
Regrettably, not all the preconditions of the people have been met. For them it is a choice between an unelected government, which, in spite of good intentions, has slipped, and an elected government with old characteristics. One wonders whether the quality of candidates will improve.

One good result of the ACC drive is that at least about a hundred professional politicians guilty of moral turpitude will not be able to contest elections. Good riddance to bad rubbish, but what about those who will replace them?

The question remains whether we will get nice people to represent us in the elected offices. I am certain the political parties will have learned that they cannot anymore take the voters for granted. And I am confident that, unlike Bertrand Russell's categorisation of nice people "that are to be found only under the heading of maiden aunts [...] and ministers of religion except those that elope to South Africa with a member of their choir after pretending to commit suicide," in Bangladesh with a bit more effort we will be able to find nice people to represent us.

The author is Editor, Defence & Strategic Affairs, The Daily Star.

## Torn between emergency and election



A.N.M. NURUL HAQUE

ALL eyes across the country are now fixed on the developments for holding the long-stalled ninth parliamentary election scheduled for December 18. But one has a very little reason for heaving a sigh of relief over holding of a credible and meaningful election in time, as the country currently finds itself torn between emergency and election.

The caretaker government (CTG) and the Election Commission (EC) want to hold the ninth parliamentary election under the state of emergency despite the opposition of major political parties.

The CTG is also facing legal obstructions to its move for holding the election under the emergency rules. The High Court (HC) on July 20 ordered the CTG to explain why the proclamation of the state of emergency, two emergency powers orders suspending people's fundamental rights, and the Emergency Powers Rules

## BY THE NUMBERS

The people of this country are now torn between emergency and election, which is worrying them. They are not likely to wait beyond December 18, the date set for holding a credible and meaningful election, as they strongly believe that return of power to a democratic government is the only way for Bangladesh to tackle its woes.

would not be declared ultra vires of the constitution.

The HC passed the orders after hearing of a public interest litigation writ petition filed by some Supreme Court lawyers. The CTG is likely to intensify its legal battles against the HC rulings in the Supreme Court, which resumed on October 12 after 44 days of annual vacation.

The people felt encouraged by the EC's electoral reform laws, particularly the move to register political parties with necessary reforms during the current interregnum so that democracy could be sustainable. The EC also revised some clauses of the Representation of the People Order (RPO) 1972 with a view to solving our problems with democracy.

There is not an iota of doubt in our mind that the political parties in the country need substantive reforms for transition from totalitarian rule to democracy. They have collectively failed to uphold the secular democratic aspirations that drove the nation to fight the

liberation war.

Awami League was the first major party, which agreed to accept most of the electoral reforms laws. The BNP has asked the EC to extend the October 15 deadline for applying for registration, as it would make a decision on the issue after holding dialogue with the CTG.

The BNP-led four-party alliance has placed before the CTG and the EC a five-point demand, including withdrawal of state of emergency and scrapping of the RPO (Amendment) 2008, as conditions for participating in the forthcoming national election.

The other demands are holding of upazilla elections a reasonable time after the national election, withdrawal of the Gato, Niko and Barapukuria corruption cases and other false cases against alliance leaders, and release of all political leaders and activists detained without specific charges.

Meanwhile, a Dhaka court has issued arrest warrants against nine accused in the Barapukuria coal-

mine graft case. The accused include former ministers M. Saifur Rahman, Ali Ahsan Mohammad Mojahid and Aminul Haque, and state minister A.K.M. Mosharraf Hossain.

The court has also directed BNP chairperson and former prime minister Begum Khaleda Zia, Jamaat-e-Islami Ameer Motiur Rahman Nizami, former BNP ministers Abdul Mannan Bhuiya, M. Shamsul Islam and M.K. Anwar, now on bail in the case, to appear before it.

The BNP-led alliance is quite unhappy with this development. BNP Secretary General Khondker Delwar Hossain firmly said on October 11 that no election would be acceptable to the people as well as to the international community without the participation of the party chairperson Khaleda Zia.

On the other hand, the AL central working committee in a resolution on October 11 said the party would not take part in election without the participation of its

president and former prime minister Sheikh Hasina. AL is also demanding permanent release of Sheikh Hasina who is now in US for treatment on parole.

The central working committee of AL also reiterated the party's demand for withdrawal of the state of emergency for creating a congenial environment of free, fair and credible election.

AL president Sheikh Hasina has demanded withdrawal of state of emergency ahead of the parliamentary election, saying that emergency rule is meaningless if enforced for a prolonged period. She told this in a seminar on "Bangladesh: Future of Democracy and Human Rights" held recently in the auditorium of the House of Lords.

The London-based Economist Intelligence Unit has concluded in its October report that maintaining emergency rule may jeopardise the credibility of the elections in Bangladesh.

The European Commission usually does not send its election observers to a country under emergency rule. It may not send its Election Observer Mission to Dhaka if it is not convinced of the CTG's measures to ensure holding of a free and fair election.

The demand for lifting state of emergency is becoming increasingly shrill, particularly from the political parties, as according to them, no free and fair election is possible under the state of emer-

gency. On the other hand, Chief Adviser Fakhruddin Ahmed told a British parliamentary delegation that the state of emergency was part of Bangladesh's constitution, not any extra-constitutional measure, and it was not affecting the common people.

The chief adviser's argument that the state of emergency would help restrict infiltration of black money and muscle power in the electoral process bears some merit. It is also true that, while many of the fundamental rights remain suspended under emergency rules, it is against the spirit of free, fair and credible elections.

Time is running out. Therefore, the first and foremost duty of the CTG should be to sit with the major political parties and discuss ways to relax the state of emergency, creating an environment conducive to holding a meaningful election. Politics always stresses on discussion and compromise, keeping the national interest above all other matters.

The people of this country are now torn between emergency and election, which is worrying them. They are not likely to wait beyond December 18, the date set for holding a credible and meaningful election, as they strongly believe that return of power to a democratic government is the only way for Bangladesh to tackle its woes.

A.N.M. Nurul Haque is a columnist of The Daily Star.

## Global crisis: How far to go?

The current financial crisis is the most serious since the 1930s. Although many Europeans blame the US for the financial panic due to its almost blind faith in unfettered free markets, models and derivatives, globalisation has left them very interconnected to US markets.

SCOTT B. MACDONALD

LINGERING hope that by some ad hoc measures Europe could isolate its economies from the financial cyclone battering the US came crashing last week. Amidst indications that stability of top Western banks have sunk below many in the developing world, European leaders frantically worked to devise solutions to prevent economic collapse.

Denial about the totally interconnected economic life of today's globalised world is no longer possible, but new battle will begin about the shape of capitalism to emerge from the present ruin.

Alarm bells started ringing with the stunning collapse of Icelandic banking system in early October, leaving the island nation of 320,000 with prospects for an economic contraction of around 10% and likely dependence on International

Monetary Fund for its survival until recovery starts.

As central bankers and finance ministers scramble for solutions, Europeans are bewildered, worried and mistrustful. It's obvious that failure to restore confidence will result in ongoing descent into a 1930s-like crisis, pulling along a train of severe macroeconomic and sociopolitical consequences.

The stark reality facing many European banks and investment and pension funds is that they bought many of the same toxic financial products that sank US financial institutions. In other cases, European banks overextended in lending to local real estate markets and to Central and Eastern European markets.

Consequently, slowing economic growth; tighter credit, as banks were quick to reduce lending; and extended evaporation of interbank lending, where banks

lend to other banks, functioned much like a brake to a rapidly moving car. Interbank lending, in particular, became an acute problem, forcing the Bank of England, the European Central Bank and others to pump euros and pounds into the markets to guarantee some degree of liquidity.

Markets continued to be unstable, but unlike the rapid US acceptance of a \$700 billion program to buy troubled assets from banks and implementation of the Federal Reserve program to purchase commercial paper, European governments remained adverse to a single policy response.

French President Nicolas Sarkozy briefly suggested the idea of a \$300 billion, or US \$460 billion, bank rescue fund. This was, however, rejected by German Chancellor Angela Merkel, leaving the European Union with a commitment to protect the financial system, but little else. As one com-

mentator noted, the EU had "a common market with no common rescue plan."

Lack of a broad, over-arching EU policy failed to calm investors or stop the crisis. In rapid succession, but in haphazard fashion, the largest Benelux financial conglomerate Fortis was rescued by joint Dutch, Luxembourg and Belgian intervention; the UK government intervened in the troubled building society Bradford & Bingley; the German government helped Coble to pump euros and pounds into the markets to guarantee some degree of liquidity.

When these measures failed to stem the rising panic and the German government was forced to pull together yet another rescue deal for Hypo Real Estate, Fortis was sold to BNP de Paribas in Luxembourg and Belgium and nationalised in the Netherlands, and Dexia, the world's largest lender to local governments.

The dangerous risk of the financial crisis to the rest of the economy was evidenced by Dexia's troubles. A failure by Dexia would have threatened \$290 billion of commitments with local governments. The danger of local governments losing ability to finance development would be a problem in much of

Europe, with a major impact on citizens' daily life.

What's evolved in the European Union is a rush by member states to create their own bank-rescue and depositor-protection plans. Along these lines, Ireland moved first to guarantee deposits in all personal bank accounts as well as backing debt of its banks. Other European countries followed out of fear of losing their bank deposits to Ireland's safer program. In addition, Spain announced a \$50 billion plan to buy assets from its banks, hoping to nudge open credit markets.

In the UK, growing concerns over losses at such large institutions as the Royal Bank of Scotland, Halifax Bank of Scotland, Barclays and others saw the government resort to a partial nationalisation of some of the country's largest financial institutions. The Brown government implemented a program with as much as \$50 billion, or \$97.2 billion, to buy preferred shares in banks to boost capital. In addition, the government raised the level the Bank of England makes available for banks to borrow to at least \$200 billion.

France and Italy also created

bank-protection programs, and Germany soon joined in with \$400 billion in loan guarantees, providing as much as \$80 billion to recap banks, and setting aside \$20 billion in its budget to cover potential losses from loans.

Despite the plethora of European government programs, investor confidence may remain elusive for two reasons -- the large costs of financial bailouts and concern over the possibility that one of Europe's large transnational banks fails. The International Monetary Fund estimates that total losses and write-downs from the credit crisis will amount to \$945 billion, and there are higher estimates in excess of \$1 trillion.

Thus far, according to Bloomberg calculations, total losses are \$633 billion, with \$383 billion in the Americas, mainly the United States; \$225 billion in Europe; and around \$25 billion in Asia. Chances are that the European losses will grow, possibly approaching the same level as the Americas.

The major priority is to restore confidence, and this comes from creating a more uniform G7 plan. In a practical sense this means

defining which banks are too big to fail, creating cross-border safety nets for those that might be too big to save, partially nationalising the banks where necessary and pumping capital directly into the interbank market to guarantee transactions between banks currently reluctant to lend to one another. This also means overcoming ideological stickiness over state intervention, fear of bailing out others or need to cast blame.

Over the weekend of October 11-12, EU leaders made another effort to stabilise markets, with three measures, which could be fine-tuned: Member states will guarantee new bank debt until the end of 2009; governments will share up banks by buying preferred shares; and they announced a commitment to recapitalise any "systemically" critical banks in distress. There's also an indication that measures would be further coordinated within the G7.

The current financial crisis is the most serious since the 1930s. Although many Europeans blame the US for the financial panic due to its almost blind faith in unfettered free markets, models and derivatives, globalisation has left them very interconnected to US

markets. While the financial philosophy guiding the US and UK is very similar, continental Europe holds a view that this is a chance to reshape the financial sector for the "public good." This philosophy very much ties into the main battle over the commanding heights of the global economy that's sure to begin as markets stabilise.

Now that the US model has had its comeuppance what type of capitalism should emerge? There is a smorgasbord -- quasi-authoritarian capitalism (Russia), authoritarian capitalism (China) and within democratic capitalism, you have Anglo-American, Continental and Japanese-Asian versions.

Whatever model emerges as the winner, there can be no divorce between the US and Europe in this regard. The stakes are exceedingly high and further steps are required to restore confidence.

Scott B. MacDonald is a senior partner and head of research at Aladdin Capital Management, LLC, in Stamford, Connecticut, and currently writing a book on Asia and globalisation.

© Yale Center for the Study of Globalization. All rights reserved. Reprinted by arrangement.