

## Boucher's trip to Dhaka

A matter of two new administrations getting acquainted

THE just-concluded visit to Dhaka by US Assistant Secretary of State for South and Central Asia Richard Boucher should be considered significant for a good number of reasons. The most basic, of course, relates to the fact that in both Washington and Dhaka new governments have taken over. Incidentally, both the Obama administration and the Hasina government have come to office with promises of change. Against such a background, the Boucher visit was an opportunity for the new men in Washington to get a measure of the new team in Dhaka. In similar manner, it was a chance for the Awami League-led government to get some insights into the thinking of the new Democratic administration in the United States.

Considered from such perspectives, therefore, the Boucher trip was anything but routine. He has of course been here before, but his visit this time round was relatively more focused. Besides meeting government leaders, including the prime minister, the US official also talked to the leader of the opposition, who crucially informed him of her party's readiness to assist in a strengthening of democratic institutions in Bangladesh.

That said, one remains aware of the different areas in which the United States and Bangladesh have a good deal to talk about. The priorities here are of course trade and investment. Among other things, the issue of duty-free access of our RMG-products to US market remains on the table. It was speculated, in the days prior to Boucher's arrival, that the Trade and Investment Framework Agreement (Tifa) might come under discussion. That has not happened, of course. The point here is that we can only consider crossing the bridge once we come to it.

Meanwhile, Richard Boucher has spoken of possible US assistance to Bangladesh in protecting its mineral-rich sea regions. Given that we are in need of technical assistance in that area, this is a good prospect. On another issue, that of a trial of the 1971 war criminals by Bangladesh, Boucher has reportedly assured the government here of his country's cooperation. It is a suggestion that should be followed through by Dhaka.

Overall, therefore, we think the Boucher visit was one of a get-acquainted nature in terms of how the Obama administration and the Hasina government might interact with each other in forging closure ties. The Bangladesh prime minister has urged the US president to make his trip to Muslim countries starting with Bangladesh. The Boucher visit reflects current US thinking on some contemporaneous issues that relate to Bangladesh. For Bangladesh, it is a point where a fresh sense of dynamism can be injected into its diplomacy.

## Spurious Pak media report

Shifting blame doesn't help

ALTHOUGH it has appeared in one prominent newspaper of Pakistan quoting an unknown intelligence source, we cannot but take exception to the apparent attempt by some quarters in Pakistan to link Bangladesh with the November 2008 Mumbai attack.

It is surprising that when official sources in that country have claimed that the investigation is being conducted with the utmost secrecy by its agencies, this 'news' has found its way out, and that too only to a single newspaper.

We feel that this sort of shifting blame is quite a new phenomenon. While we are used to seeing trading of blame between India and Pakistan whenever it came to acts of terrorism, this is the first time where attempt has been made to involve a third country in the matter.

We strongly deplore, and take exception to, the attempt to shift the blame onto Bangladesh. This we consider not only an irresponsible act but also a malicious attempt to vitiate the relationship between Bangladesh and India.

It is common knowledge that Pakistan has not been very effective in controlling terror on its soil. And events in Pakistan give one the impression that the non-state actors are increasingly playing a dominant role in that country.

One hopes that with a scrupulous investigation truth will be revealed. This is important for all of us in South Asia but most of all for Pakistan if the scourge of terrorism, that is ever increasing in its pervasiveness in some parts of the region, has to be tackled successfully.

## Reconstituting the ACC

ABDULLAH A. DEWAN

A reconstitution of the ACC, as elucidated by the PM, to ensure its effectiveness through transparency and accountability will be welcomed by all circles. However, if the idea is even remotely driven by some convicted lawmakers and former ministers' egoism, her much publicised crusade against corruption will become suspect as being the same tired platitude.

Much to her advantage, the crusade against corruption was already on-going before Hasina became the prime minister -- and now she only needs to strengthen the process, hence a reconstitution of the ACC may be an exigency.

After his courtesy meeting with the PM on January 21, Chairman Hasan Mashud Chowdhury (HMC), with a glowing face and a gleam of confidence, told reporters that the fight against corruption would continue unabated. He said that once political will was in place, all other prerequisites for eradicating corruption would automatically follow.

In his interview with The Daily Star's Emran Hossain, published on November 23, 2007, HMC emphasised that the effectiveness of ACC's anti-corruption drives would depend on its operational independence from political influence, the government's will to amend and enact rules, and budget allocations.

Since his meeting with the PM, things may have soured a bit -- at least to outside observers. On February 4, in her Q & A session, the PM was heavy on ACC's past activities. She told the parliament that the ACC should be "reconstituted" to ensure its accountability, and suggested that its past anti-graft drives were steered to shackle politicians. She observed that the Commission itself was accused of being involved in corrupt practices during the caretaker government (CTG) rule.

Echoing lawmakers' sentiment, Hasina said: "Its objectives were questioned when it started working to suppress politics and politicians instead of curbing corruption."

The ACC chairman was swift to spurn the PM's comment the next day in response to reporter's queries during a press briefing and said: "The ACC has conducted its drive on specific information and evidence. The remark that the Commission was used to shackle politicians isn't right."

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Unfinished business.

"I will never agree to the statement that the commission has carried out its activities after being politically motivated. There is no reason to think that there was any political motivation in pursuing the fight against corruption," he said while responding to another query.

Although, the PM was critical about the ACC's past anti-corruption drives, particularly those against politicians, she admitted that the drives showed the people that none could escape punishment for corrupt practices. The PM herself was detained for 11 months on graft charges brought by the ACC.

When the law minister asserted that the

two years of CTG rule was a "doctrine of necessity" -- he spoke the minds of all pragmatists. Had Hasina inherited the all-encompassing malice and mischief created by BNP's five years of ill governance, she could hardly see a peaceful transfer of power, let alone plan for a digital Bangladesh and all other development prospects. Hasina certainly realises that her accession to power was a seamless continuation of the last CTG.

Many ill wishers of HMC would like to see him gone and the ACC to be led by someone with his mouth shut, ears plugged, and eyes closed. Is that what we really want?

Making the ACC more effective and forceful may require a reconstitution and reform of the modus operandi of the institution, and the PM is actively reviewing ACC's recommendations to that effect. I firmly believe it will be done, with HMC as ACC's chairman, but with more legal authority.

Hasina seems to have overwhelming nationwide support for reconstituting the ACC. The people want to see the Commission functioning free from political influence.

It's true that ACC's image has been tarnished to a large extent because of lack of transparency and failure to prove allegations against many politicians and businessmen. The CTG's crime task force was mostly responsible for the rush to arrest people on charges of corruption -- not the ACC.

However, the failure to convict many criminals is attributable to the Truth and Accountability Commission's swift, kangaroo court type slapdash disposal of cases and the High Court's open-door bail giving discretion. In many instances, ACC was hamstrung by procedural and legal imbroglios.

HMC claimed that since February 2007, more than 1,100 cases were filed by the ACC, but only 10% of them have so far been decided. He wished for better mechanism for speedy disposal of cases, at least in the trial courts.

Don't forget that the last two years' relentless anti-corruption drive was the first of its kind in the country's 38 years history. Because of the enormity of corruption, and in the rush to deal with a multitude of multifarious case loads, some mistakes and excesses could have easily sneaked into drive. But the net outcome is positive and the anti-corruption drive is on the right track.

I wonder how many HMC's there are in the country who would be so fiercely and fearlessly non-partisan, and passionately committed to take the anti-corruption drive as a patriotic mission. HMC's experience and leadership are irreplaceable. Hence, any reconstitution of the ACC minus HMC as its chairman will be cheered by those already incarcerated, others under trial, released on bail or running from the law, and yet others waiting to be charged.

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## Is protectionism unavoidable?

JEFFREY E. GARTEN

THE world economy has a metastasising cancer and doctors don't know how to stop it from spreading. One problem leads to another, and whenever one remedy is applied, another part of the body contracts the disease. First it was sub-prime securities, then came collateralised debt obligations, then credit in general, the stock market and a collapse of global growth.

The infection is now reaching the vital organ -- free trade. The rise of protectionism will kill the world economy. The only hope would be for everybody to admit that for political survival government leaders may have to take protectionist measures, they should consult with one another and limit the damage as much as possible.

Protectionism is something all leaders warn against after the lessons of the 1930s. Then one country retaliated against another with trade barriers, driving the world economy into a ditch -- helping cause a world war. But talking about the need to resist protectionism and actually stopping it are two different things. Unfortunately, there is no evidence that political leaders are on the case. It is highly uncertain they could totally resist protectionist pressures, even if they wanted to.

There are different categories of protectionist threats. There's tariff protection and protectionism that relates to non-tariff barriers. But there are others which could be much more serious. As governments prop up failing firms, as the US is doing for autos and the French for aviation, they are subsidising failing industries to the detriment of competitors elsewhere.

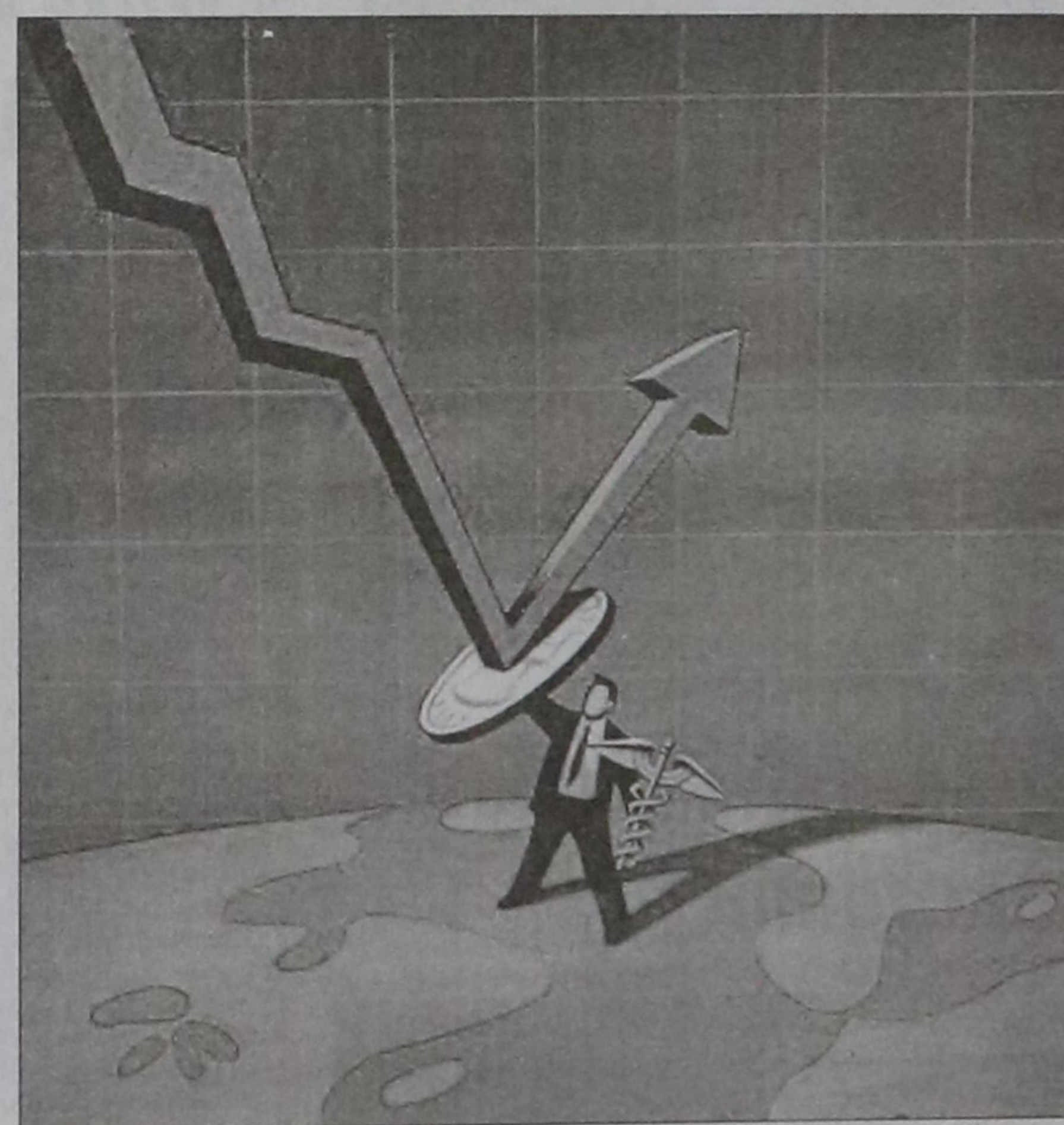
They are also discriminating against foreign companies, because their subsidies are typically just for national champions. The US helped Ford, Chrysler and GM, but not Toyota and BMW, although the latter companies also have big problems and are big investors and employers in America.

Closely related is the kind of protectionism which comes with "buy national" provisions in stimulus plans. The stimulus package in America mandates that new spending go to domestic producers of steel, cement and other products, even if foreign companies are more competitive.

Despite Obama's statement of not wanting to violate trade agreements, the Buy America provisions have momentum in Congress, offering a recipe for other countries to do the same to American companies.

There is protectionism in the financial arena too. There is pressure on banks that

Our best hope is that governments act with some constraint, where they establish some common procedures. This could include mandating the WTO or the IMF to document for the public all new trade-distorting measures and their likely economic impact, thereby raising the barrier of taking anti-trade measures.



Protection can rebound.

have received government investment to reduce foreign activities and direct their funds to investments in their own countries. Prime example: Great Britain. We can expect this tendency to widen.

Finally, there is competitive currency depreciation that makes a country's exports cheaper. In his Senate confirmation hearings, US Treasury Secretary Timothy Geithner accused China of doing just that and issued an ominous warning that could lead to sanctions.

When you add this up and consider the background against which it is taking place -- negative global economic growth, soaring unemployment, a breakdown in the Doha Round of global trade negotiations, a growing involvement of governments as direct investors in banks and companies -- it is more than a worrying trend.

Protectionism would set global growth prospects back for years. It would impede the further integration of China, India, Brazil and other emerging markets into the world economy. It would erode what international cooperation exists in many other arenas, including non-economic ones.

But you also must sympathise with political leaders caught in the vice of conflicting pressures.

Obama's most important goal is to get the \$900 billion stimulus package passed. He's convinced, without that, the US economy could plunge into a depression. He could easily rationalise that such an outcome would be the worst one for the entire world. He could well believe that trying to rid the legislation of "Buy American" provisions would kill the bill, that keeping them is the lesser of two evils. Gordon Brown has talked tirelessly

about the dangers of protectionism. But he won't encourage British banks to continue their international lending, not when Britain is in the middle of a credit crisis and also gripped by labour protests against the granting of contracts to foreign workers.

China has some 20 million migrant workers without jobs. How, realistically can the rulers allow the renminbi to appreciate and make their exports more expensive? They likely expect that the prospect of social unrest is much more damaging to China and the world than a cheap currency.

Economic pressures have now morphed into serious political ones. The world is gripped by the evils of nationalism, populism and increasingly save-yourself mentality. Democracy reinforces this tragedy, because voters are notoriously focused on the short term.

There are only a few ways to combat the tendency to look inward, and it's hard to be optimistic about any of them.

The world could look towards a charismatic leader such as Obama, but, as noted, he is deeply constrained. We could look toward a group of countries such as the G-20 to ward off the protectionist trend, but such a collective is likely to produce only the lowest common denominator of policy. Or, we could look to an established international institution to lead the way. But asked about stopping protectionism at the recent Davos meetings, WTO Director-General Pascal Lamy said that all WTO could do would be to track infractions of existing trade laws.

Our best hope is that governments act with some constraint, where they establish some common procedures. This could include mandating the WTO or the IMF to document for the public all new trade-distorting measures and their likely economic impact, thereby raising the barrier of taking anti-trade measures.

They could agree that all protectionist measures will be limited in scope and time. And they could devote a lot more effort to cushioning the blow to workers hurt by rapid import penetration, in order to take some pressure off having to take protectionist measures in the first place.

For supporters of more rather than less trade, of whom I am one, it's no use just screaming about the evils of protectionism. The premium now is on limiting it as much as realistically possible.

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