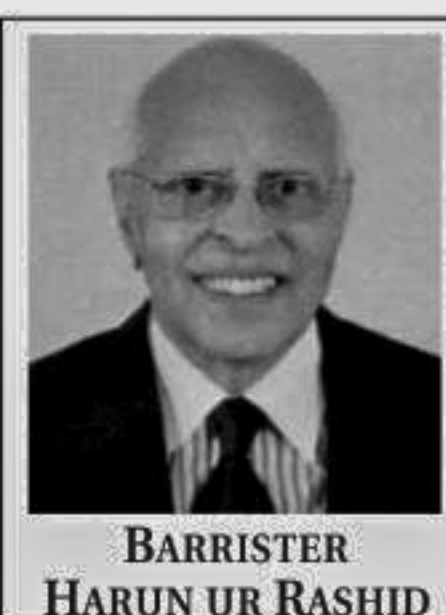


BOTTOM LINE

Bangladesh-US dialogue: Why now?



BARRISTER
HARUN UR RASHID

ON May 5, Bangladesh Foreign Minister Dr. Dipu Moni and the US Secretary of State Hillary Rodham Clinton signed a Joint Declaration on "Bangladesh-US Partnership Dialogue," which was witnessed by Prime Minister Sheikh Hasina. The Declaration has eight paragraphs and covers almost all areas from human rights, rule of law, empowering of women to security cooperation, counter-terrorism and transnational crime.

The Declaration envisages annual consultations between the two countries at the level of foreign secretary/under secretary of state and periodic consultations at the foreign minister level.

Partnership dialogue is based on long-term shared vision, based on convergence of strategic interests, mutual trust, confidence in each other and respect for each other's strategic sensitivities.

The US discusses issues of mutual interest on a piecemeal basis with Bangladesh. On April 19, Bangladesh and the US for the first time exchanged

views in the areas of (a) counter-terrorism, (b) disaster management, (c) maritime security and (d) UN peace-keeping operations. The US delegation was led by Assistant Secretary of State for Political-Military Affairs Andrew J. Shapiro while Bangladesh delegation was led by the additional foreign secretary.

The US wanted to have a formal permanent platform, which has been created by the Declaration.

The question is, why has the US signed the Partnership Dialogue with Bangladesh now? There are several reasons and some of them deserve mention below:

First, the rise of China and India has brought about a massive realignment of economic and political and strategic power at an unprecedented speed and scale shifting toward Asia. This is a much bigger shift in global production than was recorded after the Industrial Revolution, and is occurring more rapidly.

Emerging Asia -- excluding Japan -- produced 14% of world GDP in 1990, but will more than triple its share in 2030 according to Buitner. Within two decades there will be more middle class consumers in Asia than in the rest of the world.

Second, the US wants market-access in banking, insurance, telecommunication, securities, audio-visual, and agriculture in Asian countries. It also wants lowest tariff and non-tariff rates for its goods. US energy companies are interested in exploring the off-shore blocks in the Bay of Bengal.

Third, the Indian Ocean has been increasingly militarised in recent years. The US, China, India, Myanmar, Malaysia and Pakistan are engaged in bolstering their navies to oversee the sea lanes of Indian Ocean. China has extended its influence into the India Ocean through Myanmar's Coco Islands (near Andaman Islands) where it reportedly has established a surveillance naval base.

Fourth, a new US emphasis on Asia is reinforced by the strategy as the Pentagon plans to shift its focus and resources away from Europe. In November last year,

Obama said: "As we end today's wars, I have directed my national security team to make our presence and missions in the Asia-Pacific a top priority."

Furthermore, Obama administration's security doctrine is rooted in international alliances and his insistence that the US cannot act alone in the world is also a message to all nations that they must shoulder their share of the global burden.

Fifth, many strategists suggest that the US is interested in constituting a kind of security (not military) alliance to confront North East Asia's instability and China's supremacy in the Asia-Pacific region with India, Australia, Philippines, South Korea and Japan. Bangladesh could also be included in the loop.

Given the above parameters, Bangladesh has become hugely important for the US because of its geographical location. Bangladesh shares borders with India and Myanmar. It is also a near neighbour to China and stands as a bridge between South Asia and South East Asia.

Bangladesh is a maritime nation and its access to the Indian Ocean is strategically important. With the verdict of International Tribunal on March 14, Bangladesh is now able to lease its off-shore areas in the Bay of Bengal in the eastern side to foreign companies.

Bangladesh is the only Muslim-majority country which is surrounded by non-Muslim majority states and the influence of neighbouring states on its history, culture and traditions is extensive. The Hasina government took stern action against violent extremist organisations and overwhelming majority of people are tolerant and respectful to believers of all faiths, who constitute about 12% of the population.

Bangladesh is emerging as an economically vibrant country where businesspeople have been innovative and imaginative in pushing the economic growth consistently above 6% through decades. There has also been a change in the economy as 60% of Bangladesh's economy is connected globally and has been included as "Next - 11" potential major economies.

During the visit, Hillary Clinton reportedly said the US energy company ConocoPhillips was interested in exploring off-shore blocks in the Bangladesh maritime areas and her country was willing to provide security to the off-shore oil-rigs against sabotage or other maritime threats.

The visit of Hillary Clinton was a blend of robust economic diplomacy coupled with its purpose of enlisting Bangladesh in the new security architecture in the Asia-Pacific region.

Bangladesh cannot rely on one ally for its security and prosperity. While cooperating with the US, Bangladesh has to be sensitive to the concerns of China and may balance its interests between the US and China, and should not be perceived to be with the US against China or vice versa. Asean has played a model role in balancing its benefits between the US and China. While Asean is tied with China in concluding Free Trade Agreement, it also seeks security assurances from the US.

British Prime Minister Lord Palmerston (1784-1865) once said: "We have no eternal allies and we have no perpetual enemies. Our interests are eternal and perpetual and those interests it is our duty to follow."

Bangladesh may only follow his doctrine.

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CONNECTING THE DOTS

Why nations fail?



A. R. CHOWDHURY

WHY have some countries in Asia remained poor, while countries such as South Korea, which had once been poor, has successfully increased the incomes of the general population? Or why is an average European seven times as prosperous as the average Mexican, or twenty times as prosperous as the average inhabitant of sub-Saharan Africa? Why do some counties prosper while others fall behind?

A picture in last Saturday's *The Daily Star* raised these questions in my mind. It showed how Thursday's *hartal* had forced the authorities concerned to reschedule the day's O-level exams at midnight. Anxious students and parents were visibly concerned about further disruptions in the exam schedule amid ongoing political turmoil.

The students' educational careers were what could be called unintended "collateral damages" in the broader scheme of different political groups jockeying for power. These groups would rather see businesses closed, educational dreams shattered, opportunities for a labour's daily income evaporate and long-term prospects of the nation dissipate while continuing with their agenda for short-term gain.

Do our political leaders, both in power and in opposition, have the welfare of the general population in mind? Or are they more concerned about their own narrow political agenda? A recently published book has tried to address this issue on a global level and has created a stir among development professionals.

Massachusetts Institute of Technology economist Daron Acemoglu and Harvard University political scientist James Robinson write in their new book, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty, that nations fail because "...those who have power make choices that create poverty*. They get it wrong not by mistake or ignorance but on purpose." For the lucky few, hanging on to power or gaining power and wealth outweighs all else.

Acemoglu and Robinson set out to document the commonalities of struggling nations and hit on a single point which covers much of what we see as unrest in many countries around the globe: the willful promotion of economic inequality by a small number of economic elites.

Using a wide-ranging historical account, they argue that the key to general prosperity is political. A nation's success almost exclusively depends on its economic and political institutions.

Most economists and policy makers would agree that institutions are important for growth. What sets the authors' theory apart from others is their claim that institutions matter much more than anything else. Geography (such as, natural resources, location, and climate), culture, and visionary leaders are secondary. Growth is mostly about a country's institutions.

The book has two related themes: that institutions matter for economic growth, and that institutions are what they are because the political actors in any given society have an interest in keeping them that way. They argue that bad institutions are the product of political systems that create private gains for elites in developing

countries, even if by doing so they impoverish the broader society.

To understand why some countries prosper and others don't, consider the examples of Congo and Botswana in Africa.

When Congo won its independence in 1960, it was a feeble, decentralised state burdened with a predatory political class and exploitative economic institutions -- too weak to deliver basic services but just strong enough to keep the ruler Mobutu and his cronies on top; too poor to provide for its citizens but just wealthy enough to give elites something to fight over.

Acemoglu and Robinson argue that when you combine rotten regimes, exploitative elites and self-serving institutions with frail, decentralised states, you have something close to a prescription for poverty, conflict and even outright failure. "Nations fail," the authors write, "when they have extractive economic institutions, supported by extractive political institutions that impede and even block economic growth."

Now compare Congo with Botswana -- which, when it won its independence in 1966, had just 22 university graduates, seven miles of paved roads and glowering white-supremacist regimes on most of its borders. But Botswana today has the highest per capita income

in sub-Saharan Africa.

How did Botswana pull it off? "By quickly developing inclusive economic and political institutions after independence," the authors write. Botswana holds regular elections, has never had a civil war and enforces property rights. It benefited, the authors argue, from modest centralisation of the state and a tradition of limiting the power of tribal chiefs that had survived colonial rule.

When diamonds were discovered in Botswana, a far-sighted law ensured that the newfound riches were shared for the national good, not elite gain. At the critical juncture of independence, the country chose democracy over dictatorship and the public interest over private greed.

So what could political leaders in Bangladesh learn from this experience? The formula is stark: Inclusive governments and institutions mean prosperity, growth and sustained development; extractive governments and institutions mean poverty and stagnation. Acemoglu and Robinson argue that the protesters in Egypt's Tahrir Square had it right: They were being held back by a feckless, corrupt state and a society that wouldn't let them fully use their talents. Egypt was poor "precisely because it has been ruled by a narrow elite that has organised society for their own benefit at the expense of the vast mass of people."

Bangladesh must avoid that disastrous route. It has a huge potential both in terms of the population and resources. If we could develop the necessary institutions, rule of law, accountability and transparency, the country could move up the development ladder where the fruits of growth could be enjoyed by all, and not a selected few.

We can only hope that our political leadership, both in power and in opposition, do not continue to compromise the long-term future of the general population while focusing on their own short-term gains.

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Egypt in search of a president

MAHMOOD HASAN

CAIRO is abuzz with political activity. Fifty two million Egyptians will for the first time go to multi-candidate polls today to elect a new president.

The Supreme Council of the Armed Forces (SCAF), which has been running the country under an interim constitution, has repeatedly assured the people that it will hand over power to the newly elected president.

Since the Tahrir Square revolution in January 2011 and ouster of President Hosni Mubarak, Egypt has traveled quite a bit on the road to democracy. Thirty-six new political parties were registered after the revolution, bringing the total to 41.

Parliamentary elections ended in January, which produced an overwhelming majority for the Islamist parties. The Muslim Brotherhood (moderate) and Al Nour (Salafists) together won 356 seats out of 498.

The first round of the presidential election will be held on May 23-24. If a candidate garners more than 50% votes in the first round, he wins. If not, the second round will be held on June 16-17.

The Supreme Presidential Electoral Commission (SPEC) has weeded out 10 candidates from 23 aspirants who registered for the elections. Though there are now 13 candidates -- the contest appears to be boiling down to 3. Interestingly, former IAEA chief Mohammed ElBaradei is absent from the race.

The three front-runners are Abdel-Moneim Abol Fotouh, a moderate Islamist

who broke off from the Muslim Brotherhood; Mohammad Morsy (61), leader of Freedom and Justice Party (set up by Muslim Brotherhood), who is the official candidate of the party; and secularist Amr Moussa, Hosni Mubarak's foreign minister and Secretary General of the Arab League, who is running as an independent candidate. Opinion polls conducted by the Al Ahram Center for Political and Strategic Studies put Moussa as the leading candidate with 41% rating.

None of the thirteen candidates represents the largely liberal and secular younger generation that led the Tahrir uprising. The Islamist vote bank is likely to be split between Abol Fotouh and Morsy -- possibly giving Moussa the lead. Amr Moussa has been in public service for several decades and is not particularly identified as a Mubarak lackey.

While preparations for the presidential election are going on there remains a major lacuna. At the end of the parliamentary elections a 100-member Constituent Council was supposed to draft the new constitution that would, inter-alia, define the role of the president. The Council was to have 50 members from the lower house and 50 from across the spectrum of society. That process hit a snag when a Cairo court suspended the Constituent Council on allegations that the "society" had not been adequately represented. As a consequence, the new constitu-

tion has not yet been drafted. Hence, the new president's powers remain unknown. Pending passage, through referendum, of the new constitution, the old charter will be effective -- giving enormous powers to the president.

On the other hand, the role of the armed forces under the (yet to be drafted) new constitution also remains unclear. The SCAF is undoubtedly the arbiter of Egypt's post-revolution political journey. The army,

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which is secular in its training and belief, holds a respectable place in Egyptian society, though there have been frequent demonstrations against the generals.

Under successive regimes since the days of Gamal Nasser, the military has enjoyed tremendous powers and privileges. Having fought wars against Israel it is considered the bulwark of Arab military might. It is unlikely that it will bequeath all that it has gained over the decades.

Field Marshal Muhammad Hussein Tantawi, Commander of the Armed Forces and Chairman of SCAF, was a close and trusted Mubarak friend. Tantawi will no doubt retain the military's influence and immunity, and secure its prominent role in

the new constitution to ensure internal stability and maintain peace in the region.

There are reports that party leaders are already engaged in consultations over the future role of the generals. Egypt will no doubt have a civilian government -- democratically elected -- but will it subject itself to civilian authority? The answer is crucial for Egypt's democracy and peace in the region.

Six decades of military dictatorships has left Egypt politically uninitiated and naive. For more than three decades the political scene was dominated by only one party -- National Democratic Party set up by Hosni Mubarak. Political parties that sprung up during that period were denied political space and harshly dealt with.

The chaos and confusion among these parties that was seen during the parliamentary elections are being repeated now. When the SPEC disqualified Al Nour (Salafi) candidate Hazem Salah Abu Ismail, supporters besieged the Defense Ministry. Two days of violent clashes between supporters of Hazem Ismail and other Islamist party activists left 11 people dead -- demonstrating lack of political tolerance and maturity among the parties. The incident sullied the reputation of the Islamist parties.

Tantawi has vowed that the presidential election will be free and fair, as were the parliamentary polls. SCAF will allow international polls observers and has issued

permission to over 50 foreign NGOs to oversee the elections.

Predominantly Sunni Egyptian society is divided into broadly several shades of ideology -- moderate Islamists, ultra-conservative Salafist, liberal secularists, leftists and Arab nationalists. Though the parliamentary elections saw an overwhelming support for the Islamist parties, it appears that the revolutionary euphoria has waned quite a bit. The upcoming election has pushed the voters into a Catch-22 situation -- wondering who to choose as their next president.

Given Egypt's geo-strategic position, its history, its civilisation, its military power and its long secular tradition in the Arab world, it needs to choose a head of state who will be able to accommodate and unify the different ideological groups. He will have to reckon with the rise of Islamists and their control over the parliament, which will have a profound impact on the future course of Egypt. He will not only have to keep Egypt stable but also maintain its preeminent political and military position in the region.

As there are no political alliances it is a race among individuals with credibility, and not on policies or party manifestoes. The race is too close to make a call, as of now.

Election of the president is a step towards democracy. The Tahrir Square revolution will make full round with the adoption of the new constitution.

The writer is a former Ambassador and Secretary.