

Foreign policy and diplomacy in doldrums

S.M. RASHED AHMED

IT is difficult to find a fitting adjective to describe the pathetic state of the nation. Perhaps never since independence was the nation so weak and divided with no national consensus on any major issues of domestic and foreign policies.

The principal negotiators of our government are not professional diplomats. Sadly, while negotiating with India, they have committed the twin cardinal sins of diplomacy -- giving unilateral concessions without a quid pro quo, and being over-eager to please the stronger party.

Foreign policy and diplomacy of a country are extensions of its domestic policy and structure. No wonder there has been lack of resolution of the unresolved issues with India; the trial of Felani is taking place two years after the tragic episode, the killing of Bangladeshi civilians by the BSF goes unabated.

Apart from the foregoing, in the cold-blooded world of diplomacy, one has to reckon that Indian negotiators are tough, do their homework and are clear as to what they are seeking from Bangladesh. Crucially, there is a general unspoken consensus in India involving the government, the opposition, the political parties and the civil society. Such is the degree of the maturity of Indian leadership and democracy that Indian national interest transcends all domestic differences and divides. The vital organs of the state on which the structure of democratic government rests -- the civil and military bureaucracy, judiciary, and government institutions -- are largely free from politicisation.

India clearly has its share of its shortcomings in the areas of governance, democracy and development, which Amartya Sen has brought out in his recent book, *An Uncertain Glory: India and its Contradictions*. One has to admit that India's fundamentals of democratic governance have achieved a remarkable degree of progress in investing India with the required degree of national unity and consensus, paving the way for stability, and functional democracy and polity.

In contrast, Bangladesh continues to be in the grip of perennial political instability and uncertainty due to

failure to achieve understanding on a durable basis on holding free and fair elections, and total absence of dialogue between the government and the opposition, a feature of our democracy which is hard to find in democracy anywhere else. Democracy itself means a government by discussion.

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One of the negotiators said that Bangladesh was waiting for over forty years to give 'transit' to India unilaterally, though transit is a misnomer as it involves a third country. More accurately, it should be called a passage or corridor. Another negotiator was magnanimous enough to say that India need not pay any fees for using the corridor.

It is difficult to understand as to when the people gave the mandate to compromise our legitimate national interests.

Varun Gandhi description of India's stand on the Teesta water sharing agreement and demarcation of land boundary agreement of 1974 as legal 'hokum' to block its implementation is a tragic commentary on the failure of our government which has made one-sided concessions without reciprocity from a country known for its friendship to the party in power.

The other factor which has inflicted incalculable harm on our image abroad, and consequently to our foreign policy and diplomatic objectives, is the consistent effort by the government to take over Grameen Bank and denigrate Prof. Yunus. This unhappy saga should now come to an end in the larger national interest, and the original character and autonomy of Grameen should be retained. There is international consensus on Grameen and Prof. Yunus; it is time for a national consensus on their achievements and unprecedented honour they brought to the country.

Let us utilise the services of Prof. Yunus and his standing internationally to build a new Bangladesh and enable the country to leapfrog from being one of the poorest countries to a developed economy.

The writer is a former UN Regional Administrator in Kosovo. E-mail: rashed_ahmed2001@yahoo.com

All change on the Internet

GWYNNE DYER

EDWARD Snowden is safe from American "justice" for the moment, and he will certainly go down as the most effective whistle-blower in history. His revelations are going to cause a wholesale restructuring of the world's most important communications system, the internet. And that, rather than his whereabouts and fate, is now the real story.

On August 8 Lavabit, a US-based email service provider that promised to keep its clients' communications private, closed down. The US National Security Agency approached it about six weeks ago demanding the same access to its customers' emails that it has already extorted from big American internet companies like Google, Facebook, Yahoo, Amazon and Microsoft.

The company's owner, Ladar Levison, is under an NSA gag order, but he wrote to his clients: "I have been forced to make a difficult decision: to become complicit in crimes against the American people, or walk away from nearly ten years of hard work by shutting down Lavabit. I would strongly recommend against anyone trusting their private data to a company with physical ties to the United States."

The mass surveillance being carried out by the NSA not only gives the US government access to everything Americans say to one another. It also destroys everybody else's privacy, because the standard Internet routing protocol sends messages not by the shortest route, but by whichever route is fastest and least congested. That means, in most cases, through the United States, and therefore straight into the hands of the NSA.

Snowden's revelations so far have told us about two major NSA surveillance programmes, both probably illegal even under American law. The first collects the mobile phone records of over 200 million Americans.

Don't worry your pretty head about that, darling, said Senator Dianne Feinstein, chair of the Senate Intelligence Committee: "This is just metadata, there is no content involved." The NSA isn't actually listening to your calls.

Well, of course it isn't listening to billions of calls. Machines can't listen to calls, and who has the manpower to do it with human beings? But machines can quickly use the call logs (metadata) to identify everybody you ever talked to, and everybody they ever talked to, and so

on out to the fourth or fifth generation.

If one of those thousands of people ever spoke to somebody abroad with a Muslim name (or somebody who works for Siemens, or Samsung, or some other industrial competitor of the United States), they may take an interest in you. If you're an American who has never had direct phone contact with anybody abroad, they may then apply to access the content of your calls and emails under the Prism programme.

The Foreign Intelligence Surveillance Court which reviews such applications has refused precisely ten of them (out of 20,919) since 2001. Besides, the content of



most Americans' messages can probably be examined without recourse to the judges under one of the blanket authorisations issued by FISC. And if you're not American, or an American resident who once spoke to somebody abroad by phone, then you're in a free-fire zone.

If you are American, you probably don't care about that, because you are mesmerised by the buff about a huge terrorist threat that the security barons use to justify the endless expansion of their empire (now almost a million employees). A recent opinion poll by the Pew Research Centre found that 62% of Americans think "fighting terrorism" is more important than worrying about personal privacy.

But if you belong to the great majority of internet users who are not American, are not in a perpetual sweaty panic about "terrorism," and have no protection whatever under American law from the NSA's spying, then you will want ways to avoid it. So the market, or other governments, will create such ways.

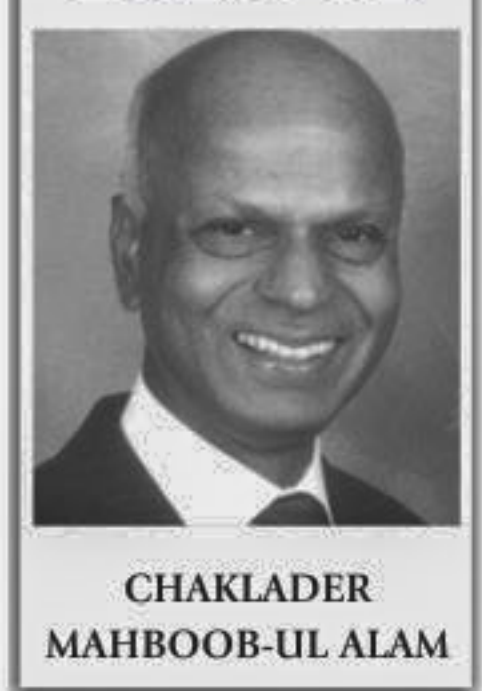
What's needed is a big investment in internet switching capacity in countries where the spies are not completely out of control. Then non-Americans can just join one of the many servers that will spring up to meet an exploding demand for secure internet services.

As Jennifer Granick, director of civil liberties at the Stanford Law School's Center for Internet and Society, put it recently: "America invented the Internet, and our Internet companies are dominant around the world. But the US government, in its rush to spy on everybody, may end up killing our most productive industry."

The writer is an independent journalist. E-mail: 76312.1476@compuserve.com

Two 20th century giants in economics

LETTER FROM EUROPE



CHAKLADER MAHBOOB-UL ALAM

THIS is a story of two British economists (one of them naturalised) who lived and worked in Britain and the United States and whose conflicting economic theories have dominated for a long time all policy decisions regarding how much state control should be exercised over the economic activities of a nation. They also created two opposing schools of thought to which most of the modern economists belong.

There were striking similarities and great differences between these two men. Both of them were university professors and men of great erudition. Coming from similar social backgrounds, they developed completely different ideologies. Although they never became close personal friends, they shared some exciting but dangerous moments during the war years.

According to Nicholas Wapshott, the veteran Reuters columnist and writer, in 1942, during the Second World War, they took turns at night on the rooftop of the King's College watching the sky to give early warning of German bombing raids on Cambridge. Friedrich Hayek won the Nobel Prize in Economics in 1974. No one doubts that John Keynes would have won it as well, had it existed when he was alive. (Keynes died in 1946. The Nobel Prize in Economics was first introduced in 1969.)

John Maynard Keynes was born on June 5, 1883 in Cambridge into a distinguished English family of academics. He was educated at Eton and King's College, Cambridge where he earned great reputation as a brilliant all-rounder -- a good mathematician who also loved Classics, a popular student leader, a brilliant writer and a persuasive speaker.

Friedrich August Von Hayek was born on May 8, 1889 in Vienna, Austria into an aristocratic family of academics. His father was a medical doctor and taught at the University of Vienna. Hayek completed his studies in law, psychology and economics at the University of Vienna and earned a

doctorate in 1923. Later, he held teaching positions at the University of London, the London School of Economics and the University of Chicago. In 1938 he became a British citizen.

In 1927, when Hayek was working at the Austrian Institute of Economic Research, Keynes was already famous. Hayek had become a great admirer of Keynes after reading *The Economic Consequences of the Peace* in which Keynes vehemently criticised the terms of the Versailles Treaty. Keynes had argued that the treaty was so humiliating and reparations conditions imposed on Germany and Austria so severe that millions would be thrown into absolute misery and possible death. What was worse, Keynes argued, was that the treaty would destroy all hopes of a permanent peace in Europe and pave the way for the next world-wide confrontation among the European powers. (It is a pity that the Allied Powers did not pay heed to Keynes. If they had taken his opinion into consideration, most probably the Second World War could have been avoided.)

Hayek, who had served in the Austrian army and seen the post-war miseries in the streets of Vienna and other towns and villages of the dissolved Austro-Hungarian Empire, considered Keynes as a hero who had resigned his position in protest as the Versailles Peace Conference adviser to Lloyd George, the British prime minister. Hayek himself was forced to renounce his family's aristocratic title. So it was natural that he would take the initiative to start a personal relationship with Keynes. In 1927, Hayek wrote a letter to Keynes asking for a book on economics written by an Anglo-Irish economist called Francis Ysidro Edgeworth. In reply, Keynes merely sent a postcard in which he wrote that he did not have any spare copies of that particular book. After the publication of Hayek's *Prices and Production* in 1931 and *The Pure Theory of Capitalism* in 1941 in London they came to know each other better even though their ideological differences continued.

Conventional economic theories of the twenties believed in automatic adjustments of the free market to create more jobs, increase production and restore prosperity. According to these theories, government spending would merely increase budget deficits and lead to a decline in private investment.

In the twenties, it was basically a theoretical debate among the economists. The crash of 1929 changed all that. Urgent measures had to be taken to stop the downward spiral movement of the US economy. Following the conventional wisdom of automatic adjustment, President Hoover merely took measures to balance the budget. Unfortunately,

it had just the opposite effect. A contracting economy had already caused government revenues to fall. Further tightening of the budget meant cutting government spending. Not only there was no recovery, the situation

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actually kept on getting worse. It was at this point that Keynes came up with a new theory, which is now known as demand management theory. He said that in depression periods, market forces were not enough to achieve recovery. The government, instead of depending on the theory of competitive adjustment, should play a more active role. He felt that in minor recessions, monetary policy in the form of easier credit and lower interest rates could restore aggregate demand. But in cases of depressions, he recommended "deficit spending in public works and financial help by the government to the afflicted groups" to stimulate the economy.

Keynes was not talking specifically of a big government but of the need to watch, control and intervene when it was necessary to increase demand and create employment. In formulating the New Deal, which played a significant role in bringing the US back to the path of economic recovery, President Roosevelt took into account the recommendations made by Keynes.

On the other hand, Hayek was in favour of a minimal

state and no intervention by the state in economic affairs. This theory found strong political resonance in the conservative circles of the US and the UK. President Ronald Reagan and Prime Minister Margaret Thatcher were great fans of Hayek. In his books *The Road to Serfdom* and *The Constitution of Liberty*, he warned that the expansion of government in the form of state intervention in economic affairs would eventually lead to totalitarian regimes like that of Hitler's.

In his opinion, organised labour unions, rent control and even agricultural subsidies would lead to corruption and inefficient markets. Hayek argued that as more and more power is transferred to the central government, the citizens would gradually lose their "freedom from coercion." Hayek recommended a minimal state because he felt that the market itself was a form "spontaneous order." Hayek's theory was interpreted by some as a kind of wild capitalism.

So what is the conclusion? Who is right? I agree with Hayek when he says that no government can know enough about a society to plan all economic activities completely and effectively. But in a competitive market economy like ours, no one is thinking of Soviet-style planning. Lack of space does not allow us to enter into a detailed discussion on this subject.

But the current global crisis has proven beyond any doubt that the market has become very complex and that it has no automatic mechanism to correct its own excesses and abuses, hence the need for government regulation and control. The government must maintain a careful watch on all the main economic indicators and manage them simultaneously by taking timely remedial actions. "Priority must be given to whichever indicator is moving toward a danger zone." Most economists now agree that tougher regulation and closer supervision would have avoided the recent sub-prime mortgage bubble, the credit bubble and the housing bubble which have plunged the whole Western World into an unprecedented economic crisis and the consequent miseries.

The writer is a Daily Star columnist and an Officer of the Royal Order of Isabel la Católica of Spain.

ACROSS

- 1 Plankton
- 2 Tasseled
- 3 Big cat
- 4 St. Louis NFLers
- 5 Add more coverage
- 6 Way out
- 7 Cordelia's dad
- 8 Passport endorsement
- 9 Silithery fish
- 10 Brunch entree
- 11 Burn with steam
- 12 Yesterday (Fr.)
- 13 Coffee shop vessels
- 14 Archie's insult for Edith
- 15 Wager
- 16 Houston hockey team
- 17 AAA task
- 18 Lead pilot's helper
- 19 Speck

DOWN

- 1 Noah's boat
- 2 Hawaiian garland
- 3 Martini ingredient
- 4 Dan Brown's " & Demons"
- 5 Gas or oil
- 6 Historic gamut
- 7 Take dead aim at
- 8 Echo, for short
- 9 Branch-stem angle
- 10 ---en-scene
- 11 Numerical factoid
- 12 Coaster
- 13 Fractions of gigs
- 14 Hero sandwich
- 15 Group of rowers
- 16 Con
- 17 Distiller
- 18 Walker
- 19 Objected
- 20 The
- 21 Carry
- 22 Taj Mahal city
- 23 Motion sickness, e.g.
- 24 Praying bug
- 25 Theater box
- 26 Satchmo's genre
- 27 Lotion additive
- 28 Friendly bloke
- 29 Erstwhile Peruvian
- 30 Hostel
- 31 Yoko of music
- 32 Pigpen
- 33 Carib-bean or Coral

Solution time: 24 mins.

Saturday's answer 7-1

CRYPTOQUIP

Z A Q Y C V D O D G E H Z R J E
L H D U B M Y A L Y G D T Y X Q ' L
Z R M P E U Z Y R , Z B P E Z G U M E U
Q Y C ' X T D X O E V Z R J E T O D E U M .

Saturday's Cryptoquip: LEGENDARY LADIES' MANFAMOUS FOR SPENDING COPIOUS AMOUNTS OF MONEY ON HIS LOVERS: CASH-ANOVIA.

Today's Cryptoquip Clue: A equals F

BEEBLE BAILY

HENRY

QUOTABLE Quotes

"In order to become the master, the politician poses as the servant."

Charles de Gaulle