

Your Country's Balance Sheet

At the financial year's end countries draw up a balance sheet of their gains and losses. As with most modern practices, in this case too the indicators have been established by the advanced capitalist countries. Poor countries follow the indexes drawn up by the rich without regard to their usefulness in conditions of underdevelopment.

We do not have a set of endogenously developed criteria by which to measure the performance of governments and calculate the gains and losses of societies in what are still called Third World countries. Below, a few indicators are offered to help us judge the state of our unfortunate nations. Readers are invited to write back with their ratings.

At the outset, a well-known fact ought to be stated: governance provides the casual connection between development and underdevelopment. Governance is to the functioning of society and economy what oxygen is to life. Its deficiency weakens, and its failure results in the collapse of states, often civilisation itself. Recall that in East Asia, South Asia, the Middle East, and Africa this process of colonisation began with the erosion in native systems of authority, and the consequent decline in their will and capacity to govern. In the post colonial era, the degree of social and economic progress of Third World states has depended on the politics and effectiveness of their governments. For this reason, the list below is biased in favour of governance-related criteria:

One, count the foreign journeys your head of government has undertaken. If the number exceeds four in a given year your country is in trouble; and the trouble is compounded as the count augments of prime-ministerial/presidential journeys. Except in wartime when the exigencies of consulting with allied leaders increase travel demands on them, government heads who are serious about governing do not travel abroad too frequently because it distracts from pressing businesses at home, creates leadership vacuum, fragments the decision-making process, and sets a model for underlings to emulate. Financially strapped Third World countries these journeys entail exorbitant costs. Excessive travelling remains nevertheless an affliction of underdevelopment; Third World leaders make more foreign trips than those of the industrialised, rich countries. And they travel expensively.

Two, take a count of the entourage your leader took on each journey, the golden rule being that the larger the entourage the worse the government. Typically Third World leaders carry crowds with them. By contrast, First World leaders move with a few aides. About fifteen years ago I went over to the UN Plaza Hotel in New York to see a friend Olof Palme who was then Prime Minister of Sweden. He was there to attend the UN General Assembly which was then discussing the Non-Aligned countries' call for a New Economic Order. The hotel lobby was crowded with Africans. The Angolan president - not Agostino Neto - had just arrived; his entourage consisted of 102 persons. I met Palme in his suite on the tenth floor. He had obviously told his private secretary that there was no need to take notes; she ordered coffee and left the room. Curious, I asked how many came on his delegation. "Four", he said. "Remarkably small", I had said. "Not quite", he replied "we are aided by the staff of the Swedish Mission to the UN."

Three, consider the extent and nature of corruption in government, and the leadership's attitude toward it. Few governments anywhere are free of corruption. During growth periods of capitalist Industrialism corruption tends to be widespread in higher echelons of government. In England such luminaries and empire builders as Robert Clive and Warren Hastings were impeached by the parliament for corruption. In the United States, the high growth era which followed the civil war is known as the Gilded Age; it soiled the

heroic reputation of Ulysses S. Grant while another American president - Andrew Johnson barely escaped Impeachment by the Congress. Even today, as the Lockheed and Watergate scandals showed, corruptions of money and power prevail in advanced Industrial democracies. The linkage then between corruption and economic growth is not necessarily, negative. Therefore, corruption should be viewed analytically though without losing sight of the fact that in all circumstances it is morally, reprehensible and harmful to society.

Several factors are important in judging the effects of corruption on the future of society. There is the question of extent. Widespread corruption eats like an epidemic of termites into the foundations of state and society. By contrast, sectoral anti episodic corruption is manageable if the Institutional mechanisms to punish and reform are made to work reasonably well. In Britain and the US whose examples are cited above it is through the workings of these corrective mechanisms that the state protected itself from corrosion, and even enhanced its authority in society. Then there is the question of attitude. Under dictatorships Citizens live helplessly, with corruption in high places; they are virtually under occupation.

In a democracy if the Press does its job, it exposes major financial scandals. But if the government and parliament do not respond with effective Investigation anti disclosure, then the purpose of democracy is defeated and the state suffers diminution of authority. Finally, the nature of corruption matters. Corruption may, be linked to production; or it may be wasteful theft. A bribe taken from an investor in return for a quick clearing of bureaucratic hurdles is illegal and immoral; but in the circumstances it may not harm the country much. But a bribe to favour one arms seller over another is likely to hurt both the security and economy of the country.

Four, examine the land, licence, an allotments a government has made in a given period. These are Third World bellwethers. Corruption, being generally unproductive in these countries revolves around unearned favours and fixed-assets. Third World corruption consists mostly of stealing and squandering the nation's resources; it rarely creates wealth. Plots and Mercedes, licences and unpayable loans, contracting and contacting are deployed as instruments of enriching the elite, and of perpetuating the structure of underdevelopment.

Five, focus on a host of social indicators which normally signal whether a society is beaded for growth or stagnation. Is your government investing seriously in the surest of growth stocks - education? How many laws were enacted recently to protect and advance the rights of women, workers, peasants, and minorities? Did your country import arid assemble more private or more transport vehicles last year? How many miles of new railways were added? By what percentage were power failures reduced in major cities? By what percentage did your foreign debt decrease, or did it - God forbid - increase? Did the population growth abate in response to government efforts; or did its indifference keep the nation's pro-creative habits intact?

Six, in this era of privatisation and foreign investments it is crucial to keep a sensible count of things that matter. For two beady years, perfectly educated Mexicans danced around the dollar investments in their country. In 1995 they woke up to a disaster. Their economy is in ruins; in a single month the peso has fallen forty-five per cent. As NAFTA's midwife, President Clinton is straining to bring Mexico back from the brink. Not many Third World countries have Mexico's safety net as the United States' neighbour and as member of an American-led trade block but they do have lessons to learn from it.

Among these the following: (i) selling family Jewels or antique furniture (read privatization!) is not the same as generating wealth. And if one does not use the proceeds to pay off debts, then one has merely perpetuated irresponsibility. (ii) Do not

confuse MOUs - Memorandums of Understanding - with actual investment; in this case the distance between the cup and the lip is often measured in miles.

Governments propose while corporations dispose according to their estimations of profit and their priorities. Washington in particular has perfected the skill; of mixing politics with business, and has been using MOUs as bait. Thus Mikhail Corbechev was rewarded with billions in MOUs of which less than 500 million dollars in investments actually materialised. (iii) Do not ever confuse money with wealth, foreign investments with healthy economy, and the enrichment of the few with the common good.

Finally, few indicators today are more meaningful than the one that concerns social peace, States generally, and especially the Third World states, are under pressure of ethnic and sectarian politics. Some states - Somalia, Rwanda and Liberia come to mind - have collapsed under this pressure. Lebanon is struggling back to life; Sri Lanka to survive. Algeria soaks in blood. In all cases the decisive element has been the failure of state to impose the rule of law, protect and honor citizen's rights. and respect the fundamental tenets of justice and democracy. When your country is subjected to protracted sectarian violence and the government fails - whether from weakness, partisan politics, or mind was neglect - it is surely on the brink. There is an - urgency then for citizens to organise anti find ways to return the country to civility and rule of law.

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