

Handful of corrupts hurt millions News Network study reveals

UNB, Dhaka

Relentless corruption, mainly resorted by those who hold power and wealth, is one of the main reasons why Bangladesh is poor and the vice has started eating into the bones of the nation, according to a study report.

"Everyone, from a farmer to an industrialist, suffers because of corrupt practices. Nothing seems to move in the country without so-called speed money. Foreign investors and businesspeople thus feel discouraged to come to Bangladesh," says the study report.

The News Network study titled "Endemic Corruption in Bangladesh: A Handful of Corrupts Hurt Millions" has listed the organisations or institutions where corruption has been found by the relevant authorities.

Citing government audit reports, the study says financial irregularities in the army, navy, air force and related institutions under the Defence Ministry caused a loss of nearly Tk 182 crore in 29 years until 1999-2000. Similarly,

irregularities in the country's 23 missions abroad cost the nation huge loss in recent years.

The study has found corruption in utilisation of foreign aid, in police department, civil aviation, national airlines Biman, Bangladesh Railway, energy, power and education sectors. It has found extortion as another big problem.

The study has also focused on the Bureau of Anti-Corruption and the need to free it from political interference so that it can independently go after the corrupt persons. There are many other fields where the seeds of corruption have been sown. One focus has been on the need for setting up an independent anti-corruption commission.

"Despite some achievements such as restoration of democracy and good harvest of food grains, the country remains poor and its people are struggling for survival. Only a small section of the society thrives at the cost of the majority of the people," the study report says.

It says corruption breeds more

corruption. What was once limited to a small coterie has now become almost institutionalised.

It found police department as the country's most corrupt institution as was found by Transparency International (TI). Then there are service sectors like telephone, electricity, gas, health and education.

"Economy is the No. 1 casualty. When economy gets hit, the people, especially the commoners, suffer most. Nearly half the country's population cannot afford enough food as unemployment is growing," the study says.

In government offices, promotions are allegedly obtained through monetary gratification. Poor educated young people are often deprived of employment in primary schools because they cannot afford bribes, which are charmingly described as donations.

In interviews with the News Network, economists and former government officials said corruption in Bangladesh goes unchallenged and the flaws are basically

institutional.

They feel that creation of an independent anti-corruption commission is essential to uproot corruption. They also suggested speedy reforms in the police and judiciary, including separation of the judiciary from the executive.

"One of the main reasons behind the pervasive corruption in Bangladesh is that some of our people, such as tax officials, enjoy high discretionary power and this power creates monopoly," said Muzaffer Ahmad of IBA, Dhaka University.

He feels that government is unlikely to be able to fight out corruption because its big shots do not have that kind of mentality.

"Greed on the part of the power elite of all categories -- bureaucrats, politicians, business people and others -- is the main reason why Bangladesh is plagued with corruption," said Qazi Kholiqzaman Ahmad, president of Bangladesh Economic Association and Chairman of Bangladesh Unnayan Parishad (BUP).

About the Bureau of Anti-corruption, he said the Bureau is itself part of the corrupt system and is under the control of the government. "I don't think this organisation can be turned into an effective vehicle for fighting corruption."

He said an Anti-corruption Commission could be helpful only if it has the authority to bring to book anybody against whom there is prima facie case of corruption regardless of the person's position in society or government.

Asked how much benefit the country's poor people get from foreign aid, Abul Barkat of Economics Department of the Dhaka University said 75 per cent of the foreign aid that Bangladesh received in the form of loan and grant has been looted. "Beneficiaries of the loans or grants are not the common people," he said.

Promises were made to try to stem corruption. But the people are still far from any ray of hope, the study concludes.



PHOTO: RANGS MEDICINE

Akhtar Hussain, managing director of Rangs Medicine Ltd and Rangs Group of Companies, along with other officials poses for a photograph at the foundation stone laying ceremony of pharmaceutical industry complex of Rangs Medicine Ltd on Wednesday in Gazipur. Sachimi Hussain, director of Rangs Group of Companies, Sabur Ahmed, director of White Products and Electronics Ltd, Sultan Ahmed, director of Tokyo Lighting Industries Ltd, and Manash K Mitra, managing director of AVE Engineering and Consultants Ltd, were also present.

War starts denting world economy

REUTERS, Frankfurt

War in Iraq has already started denting the global economy, data and reports showed on Thursday, stoking fears of even greater damage ahead as the chances of a protracted war seemed to be rising.

The International Monetary Fund warned a long war could undermine the global recovery and disappoint markets which had generally bet on a fast outcome. Even a short war might have longer-lasting economic fallout, it said.

European Central Bank Governing Council member Erast Welteke said a long war would more likely lead to protracted global economic weakness than to a quick recovery. "A long-lasting Iraq war would darken the economic perspectives for the world economy," Welteke told Reuters. Fellow board member Eugenio Domingo Solans said separately that ECB interest rate policy would hinge on developments in the war.

Meanwhile, morale among businesses in France sagged due to uncertainty over the US-led war, with industry growing increasingly

worried about the economic outlook for the second-largest economy in Europe's single currency zone.

"Clearly the uncertainty has hit companies' and probably consumers' confidence and the second-half recovery that we and others were forecasting is looking increasingly precarious," said Jonathan Hoffman, an economist at RBS Financial Markets.

Elsewhere, Danish unemployment hit a three-and-a-half-year high with employers reluctant to create jobs on account of the war,

and a key Dutch think-tank warned a prolonged conflict could cause its gross domestic product (GDP) to shrink.

"The expectations get more unfavourable if the war and international tensions continue longer," the Dutch Central Planning Bureau said.

The war in Iraq to oust Iraqi President Saddam Hussein entered its second week on Thursday, with US-led troops reportedly making steady progress.

But US President George W. Bush said on Wednesday fighting

was "far from over", changing a speech at the last minute to erase an assessment that the campaign was "ahead of schedule."

And US military officials were quoted in the Washington Post newspaper as saying the conflict could last for months.

Such signs the war might take more than just the few days or weeks that optimists had once predicted led markets to brace for more havoc to come. Oil jumped more than a dollar a barrel, shares sank and safe-haven bond prices rose.

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Poison Your Mother-in-Law

Here is story which I would like to share with you. A long time ago, a girl named Li-Li got married and went to live with her husband and mother-in-law. Soon, Li-Li found that she couldn't get along with her mother-in-law at all. Their personalities were very different, and Li-Li was angered by many of her mother-in-law's habits. In addition, she criticised Li-Li constantly.

Days and weeks passed. Li-Li and her mother-in-law never stopped arguing and fighting. But what made the situation even worse was that, according to Chinese tradition, Li-Li had to bow to her mother-in-law and obey her every wish. All the anger and unhappiness in the house was causing the poor husband great distress.

Finally, Li-Li could not stand her mother-in-law's bad temper and tyranny any longer, and she decided to do something about it. Li-Li went to see her father's good friend, Mr. Huang, who sold herbs.

She told him the situation and asked if he would give her some poison so that she could solve the problem once and for all. Mr. Huang thought for a while, and finally said, "Li-Li, I will help you solve your problem, but you must listen to me and obey what I tell you."

Li-Li said, "Yes, Mr. Huang, I will do whatever you tell me to do."

Mr. Huang went into the back room, and returned in a few minutes with a package of herbs. He told Li-Li, "You can't use a quick-acting poison to get rid of your mother-in-law, because that would cause people to become suspicious. Therefore, I have given you a number of herbs that will slowly build up poison in her body. Every other day prepare some delicious meal and put a little of these herbs in her serving. Now, in order to make sure that nobody suspects you when she dies, you must be very careful to act friendly towards her. Don't argue with her, obey her every wish, and treat her like a queen." Li-Li was so happy.

She thanked Mr. Huang and hurried home to start her plot of poisoning her mother-in-law.

Weeks went by, and months went by, and every other day, Li-Li served the specially treated food to her mother-in-law. She remembered what Mr. Huang had said about avoiding suspicion, so she controlled her temper, obeyed her mother-in-law, and treated her like her own mother.

After six months had passed, the whole household had changed. Li-Li had practised controlling her temper so much that she found that she almost never got mad or upset. She hadn't had an argument in six months with her mother-in-law, who now seemed much kinder and easier to get along with. The mother-in-law's attitude towards Li-Li changed, and she began to love Li-Li like her own daughter. She kept telling friends and relatives that Li-Li was the best daughter-in-law one could ever find. Li-Li and her mother-in-law were now treating each other like a real mother and daughter. Li-Li's husband was very happy to see what was happening.

One day, Li-Li came to see Mr. Huang and asked for his help again. She said, "Dear Mr. Huang, please help me to keep the poison from killing my mother-in-law! She's changed into such a nice woman, and I love her like my own mother. I do not want her to die because of the poison I gave her." Mr. Huang smiled and nodded his head. "Li-Li, there's nothing to worry about. I never gave you any poison. The herbs I gave you were to improve her health. The only poison was in your mind and your attitude towards her, but that has been all washed away by the love which you gave to her."

Do I need to say more? How often do we poison ourselves backbiting fellow colleagues? Life is too short for us to waste on matters that poison us! Work with a positive attitude to life, colleagues and all around you. You will live a lot better, be content and enjoy life!

WB cuts growth outlook, sees US recession risk

REUTERS, Washington

The World Bank has downgraded its outlook for global growth for this year and sees the risk of recession and deflation in the United States, according to a bank report obtained by Reuters Thursday.

In the last month, the bank has cut its forecast for world gross domestic product growth from 2.4 per cent to 2.3 per cent this year. The report also warns of risks to the global recovery should the Iraq conflict turn out to be a lengthy.

"Our baseline remains one of a gradual recovery," said the report prepared for an executive board discussion on the world economy on Thursday. "However, downside risks are substantial if the war were to be protracted or the region does not stabilize."

High income countries are expected to grow just 1.9 per cent this year, down from an earlier forecast of 2.0 per cent, while developing economies should expand 4.0 per cent, the same as the previous forecast.

The report also said there is a risk of recession in the world's largest economy, the United States.

"With subdued core inflation, sluggish growth and a series of cyclical blows, recession and deflation risks could come to the fore," the document said.

The US economy grew just 1.4 per cent in the final quarter of last

year, government data out on Thursday showed, after advancing a robust 4 per cent in the third quarter.

Consumers, who account for two-thirds of the economy, have cut back on spending as they worry about higher oil prices, the impact of the war on the economy and weaker stock markets.

On Wednesday, the bank's sister institution, the International Monetary Fund, warned of a risk of a global recession if the Iraq war is longer than expected.

And the slowdown in the United States will have a knock-on effect in Japan, the World Bank predicts with exports likely to continue to deteriorate as the key US market softens.

The bank also warned that failure of Japanese banks to raise capital ahead of the financial year-end, could force banks to cut back their loans sharply and/or require an injection of public funds and possible nationalisation.

The report also highlighted evidence of growing weakness in the euro-area economy, saying that financial markets are increasingly concerned that Germany might fall victim to a Japanese-style recession.

"Matters are made worse by the strengthening euro," the report said. "Yet there is not much leeway in the rigid EMU policy framework to give Germany special treatment."

Holcim saves Tk 9cr forex with PFA cement

Holcim, a leading multinational cement concern, saved over Tk 9 crore foreign exchange in the last one-and-a-half year with its PFA (Pulverized Fuel Ash) based cement, says a press release.

PFA-based cement saves about 20 US dollars per ton of raw material, which results in a huge amount of foreign exchange saving for the country.

Holcim is the first company in Bangladesh to introduce PFA cement. Although developed countries have been using PFA cement for more than two decades, Bangladesh market has experienced this very recently.

Southeast Bank certificate awarding ceremony held

The certificate-awarding ceremony of a month-long foundation training course on commercial banking for the junior level officers of Southeast Bank Limited (SBL) was held on the Bangladesh Institute of Bank Management (BIBM) premises in Dhaka recently, says a press release.

Syed Abu Naser Bukhtear Ahmed, president and managing director of the bank, was the chief guest while Dr Mohammad Sohrab Uddin, director-general of Bangladesh Institute of Bank Management presided over the ceremony.



PHOTO: DCCI

Participants of a workshop and Brig General (Retd) M Mofizur Rahman, executive chairman of Bangladesh Export Processing Zone Authority (BEPZA), pose for a photograph at the end of the two-day workshop on 'How to Enter US and EU Market with Your Products' organised by DCCI Business Institute in cooperation with the Porterville College of California, USA, in Dhaka on Monday.

City Bank launches online banking

Bank celebrates 20th anniversary

STAR BUSINESS REPORT

The City Bank Ltd launched its online banking service on Thursday to coincide the bank's 20th founding anniversary celebration.

The bank imported Finacal software from Infosys Technologies Ltd, India for the service. Initially, the software has been installed at three branches of the bank, said executives of the bank at the function held at Dhaka Sheraton hotel.

Clients can now be able to transact from any branch of the bank through the on-line banking. "By the end of the next month a

total of ten branches will get the system," said Abbas Uddin Ahmed, managing director of the bank.

While addressing the 20th anniversary day and the launching ceremony of on-line banking, Deen Mohammad, chairman of the bank, said it is essential to use the modern technology to compete in the present banking sector. "With the introduction of the on-line banking we now can provide the best customer services," he said.

The City Bank started its operation in 1983 with a capital of Tk 3.40 crore and now the capital and reserve of the bank stand at around Tk 75 crore. In 2002, the bank's profit was Tk 55 crore.

SIBL Board recommends 40pc stock dividend

The Board of Directors of Social Investment Bank Limited (SIBL) has recommended a 40 per cent stock dividend including premium, says a press release.

The recommendation was made at the 76th meeting of the Board held on Tuesday at the head office of the bank in Dhaka.

The meeting was presided over by Ahmed Akbar Sobhan, chairman of the Board.

All directors, vice chairman Kamal Uddin Ahmed, Mohammed Shamsuzzaman and Managing Director of the bank Golam Mustafa were present at the meeting.

At the meeting, the Board also adopted the annual account for the year 2002.

M Nazrul Islam, deputy managing director and M H Shaikh, secretary of the Board, also attended the meeting.