

Pre-poll finances

Macro-economic gains are at stake

WORLD Bank country director Christine Wallich's words at a seminar on the banking sector came as a timely reminder that, if history is any guide, we are just now entering a period of considerable risk as far as the financial sector is concerned. It is always in the run up to an election that the temptation to misuse banking sector and development funds for partisan advantage or in order to improve one's election prospects is the greatest.

It is at a time like this that heightened vigilance is important. The government has made some gains when it comes to reform of the banking sector though, of course, far more could and should have been done and it would be a shame if this good work were undone by rash and imprudent action with an eye to short term political gain.

In fact the pre-election period is a time that can be used to put further pressure on loan defaulters as this is the time when many are scrambling for respectability and acceptability. This will of course require the cooperation of the political parties to ensure that those with dubious financial history not be granted nominations and that the election laws governing who is eligible to run for office are implemented.

The media and civil society have a role to play here too. It is important to put pressure on the political parties and create awareness so that the general public is not forced to have to choose between candidates with financial irregularities and to ensure that the black money that is diverted to the election coffers of the parties is kept to a minimum.

Not only is black money a potential problem for the coming months, but we must also ensure that development funds are not misused to curry favour with the electorate, as almost always is the case. Minimising of this avenue of abuse would go a long way towards a more level playing field for the election. Similarly, this is no time to be handing out new bank licences, especially since the sector is already too crowded.

It is important for both political and economic reasons for the government to keep a steady hand on public finances in the run up to the elections. In the first place, with the NCBs already under a great deal of financial pressure due, among other reasons, to the fuel crisis, this would be a disastrous time to create further instability.

Equally important, such action would further undermine prospects for an election that are not only above board, but seen to be above board, which is the single most important goal for the country this election year.

Defence purchase

More transparency necessary

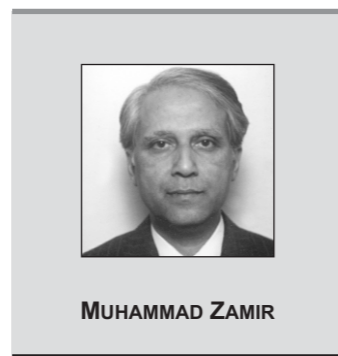
THOUGH there were some media reports earlier, public really got the full picture last Wednesday of purchase of combat aircraft for the air force through the question answer in the parliament, something that, we feel, should have been made known to the public sooner. And that leaves us to wonder why there is so little public information on matters that involve expenditure of public fund?

We are questioning neither the choice of the equipment nor the source of it but the process in which this deal was made and the fact that the public have come to know the details of it almost two years after the deal was finalised. This leads us to another important issue, which relates to the mechanism involved in defence purchases in Bangladesh. While it is not always imperative for the people to know about the technicalities of the equipment, nor the strategic reasons of having such a piece of equipment in our inventory, what we are surprised at is that even the people's representatives were not privy to the information that such an amount was being spent for acquiring combat aircraft. This perhaps also indicates the manner and the procedure involved in the particular procurement and indeed all such military acquisitions.

And this is what is our concern, which stems from our past experience with purchase of MIG aircraft by the previous government that has left a bitter taste in the mouth. We feel that the allegations of foul play and corruption stems from apparent lack of transparency in the process of negotiations and finalisation of defence purchases. We cannot think of any compulsions that would cause the circumvention of the existing procedures. The consequence of such an act is that the deal is either cancelled or the equipment sidelined when a new government assumes power.

We hope that the government, in fairness to the nation, will follow a more transparent method of procurement of defence equipment if public money is not to be wasted.

The ACC continues to be in the doldrums



MUHAMMAD ZAMIR

It is no longer just embarrassing. It is beginning to be painful. The state of affairs within Bangladesh in general, and the Anti-Corruption Commission (ACC) in particular, continues to attract international attention. We have become the laughing stock of the world.

The Global Corruption Report, 2006 of Transparency International (TI), Berlin published recently from Germany has focused again on Bangladesh. Quite justifiably, they have also addressed special attention on the ACC, its genesis and its dysfunctional state of affairs. Their concern has reflected the anxiety prevailing within Bangladesh about the ineffective approach by the ACC in resolving the issue of corruption.

One might not totally agree with the simple assumption that an effective ACC will drastically reduce trends of corruption within the country. However, one will generally accept that a functioning ACC will ensure a more transparent format of governance.

The TI Report, this time round has not emphasised so much on the perception factor that has like past years ranked Bangladesh as the most corrupt country. It has instead concentrated more on where and why the government has actually failed in containing this continuing malady.

The TI, during its analysis has suggested that the formation of the

ACC was a concession on the part of the government to the sustained criticism by the donors to the unacceptable levels of corruption prevailing in the country. Many of us have, more than once, pointed out that political will have to be a prerequisite if corruption is to be contained or reduced. Unfortunately, the drama that has unfolded within the ACC over the past year has only re-affirmed the absence of such motivation.

It is beginning to be clear that the

that a Commissioner of the ACC has 'prepared a 10-point complaint paper against the unlawful decisions and activities' of the Chairman and the other Commissioner in the ACC. It has also been mentioned that the feud will be placed in front of the Finance Minister and might eventually roll into the court premises. The Commissioner in question has made certain important observations, which have also found their way into the press.

It appears that from the very initiation of the anti-graft body, the

He has also admitted that internal wrangling among the Commissioners has affected its efficiency. The Chairman reportedly also mentioned that he was willing to stand aside in case he was unable to sort out the problem. Well, he has been given sufficient time to clean the Augean stable. He should finish the job and soon.

The ACC since its inception in November 2004 has been under scrutiny from the international donor community. The World Bank, the ADB have been particularly

Bangladesh needs to strengthen its regulatory regime, improve transparency in the conduct of public affairs (particularly in matters of tender related to projects) and further develop the regulatory mechanism associated with our business laws. G8 countries apparently consider that 'kleptocracy' is unacceptable.

It must be understood that creating the ACC has been a good decision. What is required now is the taking of concrete steps that will enhance its independence. It must

Special attention in this regard should be particularly given to containing corruption in the service delivery system associated with goods governance -- bill inspectors in the utilities sectors, the police force, the customs personnel, and those responsible for procurement in government departments.

Sleaze and graft must be fought without fear. This will also require strengthening of the office of the Comptroller and Auditor General. Its independence needs to be maintained by consolidating its legal and institutional framework. This will require addressing its weaknesses in budget planning. This will greatly reduce political influence on its administrative decisions. They should be able to decide on their organisational structure and staffing independent of the Ministry of Establishment, of which the Prime Minister is the minister in charge.

It has recently been announced that the ACC is going to file charge sheets against 100 persons, including former Secretaries, Ministers and MPs. Good, but what about incumbent Ministers and other incumbent senior officials?

Being corrupt and abetting in corruption has become a way of life in Bangladesh. We have many lectures from senior politicians about the need to be honest and dedicated and then end up with permitting 'black' money being washed clean through the payment of nominal tax. This is unacceptable and immoral by any standard -- secular or religious. One can only hope that this time round, the Finance Minister will refrain from such an exercise at the end of this budget year. It will be tough as this will be his last budget before the election. However, one hopes that conscience will prevail.

Muhammad Zamir is a former Secretary and Ambassador who can be reached at mzamir@dhaka.net

POST BREAKFAST

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government, despite many assertions, has not been able to adapt itself truly to the idea of an independent ACC. Indirect control is hampering its effectiveness and nothing is being done about it. Important factors like the budget of the ACC, the recruitment of its staff and the creation of its organisational structure continue to coalesce and affect the abilities of the institution. The government's decision to 'rehire' the staff of the erstwhile Anti-Corruption Bureau (ACB) has also not helped. The relevant authorities seem to have forgotten that it was their inefficiency that led to the dissolution of the ACB.

The TI Report has again raised the query as to whether we are really serious about tackling corruption. In the past few days we have witnessed internal conflict within the organisation. This has undoubtedly cast a shadow on its image. It has been reported in the media

chairman and a Commissioner close to him have taken a lot of decisions violating the ACC Act. I do not know the nature of these decisions. They have no been made public. However, it is also true that the watchdog has had to face quite a few writ petitions. This has led it to be less than properly active.

In this context, reference has also been made to appointment of the former Director General of the ACB as the Secretary of the ACC and subsequent appointments of other inspectors and officials of the ACB, allegedly, contrary to rules. Accusations and counter-accusations have surfaced on a steady basis. That has been the only constant element within the ACC framework.

In an interview given to a national news agency, the Chairman of the ACC has remarked that the absence of rules and an organogram have been the main impediments and have led to the non-functioning of the institu-

concerned about its non-functional status. The ADB organised in January this year a meeting to ascertain ways as to how the ACC could overcome its controversies and become truly independent. It was clear from the discussions that political will was lacking and was largely responsible for the sorry state of affairs.

It would be useful to refer here to the manner in which anti-corruption bodies have been functioning in other countries. Australia set up its Independent Commission against corruption in the early nineties. Hong Kong copied the system later on. These bodies not only took action against those who were patently corrupt, but also undertook measures to track their illicitly acquired assets.

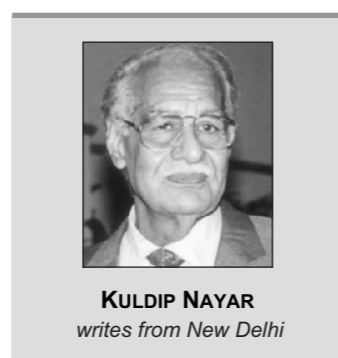
In the meantime, persistent reports of corruption have affected our chances of securing financial advantages under the US Millennium Challenge Account. We have been ostensibly informed by relevant US officials that

also have the 'teeth' to demonstrate its abilities. Such deterrence however must not be used as a political tool. That would defeat the very purpose of having such an institution.

We must not forget that corruption has a destabilising effect on democratic institutions and democratic behaviour. Lack of accountability in the long run creates problems of governance. It affects chances geared towards the eradication of poverty. It also undermines law enforcement and security initiatives.

There is general consensus that the government needs to take concrete steps to implement critical reforms and empower those who are supposed to investigate corruption. There should be an enabling situation whereby they are able to prosecute any senior official of the government without any later threat to their promotion prospects within their service cadre. It will have to be initiated in a holistic manner, which should include all the three factors -- prevention, detection and sanctions.

Price of development



KULDEEP NAYAR
writes from New Delhi

BUDGETS in the early years of independence were an enigma wrapped in secrecy. India's economic base was limited. The dependence was, therefore, on the ingenuity of finance minister. Crises could not be pulled out of a hat to maintain the morale. Yet he would do the rope trick because the government's popularity depended on that.

The haves grumbled over fewer benefits than before but realised that they still had enough. Other people did not count in the scheme of things. The growth rate averaged 3.5 per cent annually but it did not disturb anybody's sleep. The debate after the budget would not be whether the proposals had merit but whether they gave the country an ideological tilt, close as we were to the culmination of freedom struggle.

One point that evoked discussion was the distance between Jawaharlal Nehru's way of development, the socialistic pattern with the state playing prime role, and Mahatma Gandhi's concept of self-sufficient countryside without interference by the state. Over the

years, the first became urban in character and the second rural. One got associated with the growth, however slow and slovenly, and the other with values and idealism.

The first has manifested itself through consumerism. The other has got stuck in simple but marginalised living. One has all the opulence and wasteful expenditure whereas the other has all its adverse fallout: poverty and neglect. Nehru's associates, lessening day by day, still talk radical

roughly 400 million, official figures testify.

All budget speeches -- Finance Minister Chidambaram's are no exception -- applaud the role of the farmer or small man. But there is very little left for him when the real beneficiaries have eaten from the plate. Prime Minister Manmohan Singh has been promising the countryside a good deal for some time now. But agricultural growth is stagnant. The import of food grains

countrieside. Land is for people, not people for land. Bhoodan (gift of land) did not work. Even what was offered was being reclaimed. Even in the distribution of bhoodan land, an element of corruption had crept in. No inquiry was ordered because some important people were suspected.

The Employment Guarantee Scheme that the government has introduced in 200 districts is only a palliative, not a solution. The gov-

The first five-year plan which Nehru formulated was to industrialise the country so as to lessen its dependence on land which is a victim of whimsical monsoons. Some may interpret it as a scientific approach. But it has been left half way. Services have done better than industry. On the other hand, people living in villages, India's two-thirds of population, have been left high and dry. Nehru initiated land reforms and had to amend the constitution -- it was India's first

interests in the party will not allow that to happen. Nonetheless, with land getting divided and re-divided among children and their children, there is a fragmentation of holdings all over the country. This affects food production as well. Some way must be found to redistribute the land. As things are today, discontentment will grow. Already, the dalits, the tribals and the marginalised farmers are migrating from their village in search of job.

The basic fact that India must face is: it has not enough land for the people who depend on it. The countryside can be made attractive. The best schools can be opened there. It does not matter if teachers are given salaries five times more than they get in cities. The standard of teaching should be so high that students from cities could prefer to travel to the countryside for studies there. Not only teachers but doctors should also be tempted to go to villages. Salaries should not come in the way. The purpose is to focus attention on the countryside where most people live.

We talk of the good of society. Is this something apart from and transcending the good of the individuals composing it? We may mock at the Gandhian values. But what type of society is it where the individual is "ignored?" Whatever name we may give it, the progress, however impressive, is creating more and more disparities. Probably, this is the price the development of sorts exacts. Can we pursue this path without peril?

Kuldeep Nayar is an eminent Indian columnist.

BETWEEN THE LINES

We talk of the good of society. Is this something apart from and transcending the good of the individuals composing it? We may mock at the Gandhian values. But what type of society is it where the individual is "ignored?" Whatever name we may give it, the progress, however impressive, is creating more and more disparities. Probably, this is the price the development of sorts exacts.

and they recall the period from Karl Marx to Harold Laski. But the Gandhian followers, close to the ground, have grown skeptical of ideologies which draw inspiration from abroad. New India has moved away from it and the governance is directed towards higher growth through globalisation or whatever the means.

It is difficult to run away from the plazas, the malls and the new eating places. But of what use they are or the multi-storey buildings, big dams and foreign direct investments when at least 300 million people, more than the entire middle class, are destitute? Those who live below the poverty line are

is, in fact, ominous. Rural unemployment is rampant. Farmers are committing suicide, not only in Andhra Pradesh and Kerala but in the soya-belt of Punjab and the cotton-growing areas of Maharashtra. It has been noticed in many places in the countryside the students leaving schools and colleges and opting for work on the fields.

There is a loud demand for another Green Revolution. But this may well be wishful thinking. Farmers have no money to invest in land to make it productive. The corporate sector, if given a chance, will convert it into another industry, changing the very ethos of the

ernment has yet to spell out specific schemes for employment. However, the budget on defence and security has been increasing year after year. The explanation is that the naxalites and the desperate people in Kashmir and the north-east are to blame. Pakistan also comes into the picture. Maybe, the reading is correct to some extent. But what about the causes that are responsible for the deterioration of the economic condition? The budget is of little help to those who are at the lower rung. The government says that it has no money. But its bureaucracy is bloating and the non-plan expenditure increasing. Have our priorities been wrong?

constitution amendment after independence -- to implement them. Still, he could not give land to the tiller free. All that he did was to put a ceiling on the individual's holding: 18 acres per family. Sheikh Abdullah in Jammu and Kashmir was the only one in the country who gave land to the tiller without compensation. Nehru wanted to emulate him but he could not do so because the Congress was dominated by kulaks. The landed aristocracy still plays an important role in the party.

True, there is a case for constituting a commission to go into the land reforms. But does the government have the guts to do so? Vested

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

Load shedding

The season of load shedding has just started without any notice. The whole country especially Dhaka has been experiencing the menacing power outages for several hours everyday. A usual practice that has been running for years without any remission. It is obvious that public will raise hue and cry, they will vent their anger but all these will go in the wilderness as usually the power ministry and its affiliated bodies will come with lots of lame excuses such as no new plants are yet passed, old worn out power plants, technical glitches, tripping down (reasons unknown) and many more. However the chronic problem will remain chronic with no remedial steps taken by the authorities concerned in sight.

In this context one more problem has surfaced which has mostly aggravated the marginal farmers of the northern districts. This is due to non-availability of diesel oil. Our high profile energy advisor stated that there was no reason to get

alarmed as oil laden tankers got stuck-up in the shallow waters in Bhairab and necessary measures had been taken to transport the fuel to the respective destinations.

Despite the assurance by the energy advisor the situation remains the same. Now our energy advisor has come-up with another theory. And that is, most of the oil is being smuggled out to India in exchange of a hefty profit by a section of greedy traders. If the advisor's observation is proved to be true then why not appropriate measures is being taken to check the pilferage and nab the culprits?

Now what we need at the moment is a well-qualified technocrat with a full cabinet ministerial portfolio who will be given a free hand and not be subjected to any pressure from our ambitious bureaucrats or our corrupt politicians in discharging his duties and take our fledgling power sector to the road to progress and prosperity.
Humayun Hyder
Zigatola, Dhaka

It's our fate!

We are living in a hell for last few days. We are having the turn crises of water along with power in the Dhaka city. We get up early in the morning to prepare ourselves for work and find not a single drop of water and come back from office tiered and exhausted and dreaming at least of a cool bath fan braze and again it's dry water line along with load shedding. Is it our sin to be born in this country?

It is common dialogue of all responsible (!) government bodies that in this time of year we have crisis of water and power. But still there is no action to resolve these problems. Year after year enormous paper work and research are going on to find solution to the problem but these add only bundle of paper instead of any ease in our life. We paid taxes year after year and had new models of car for various government projects 'for us'. Oh! No one to be blamed but our fate!
Khondoker Adil Iftekher
Uttara, Dhaka

Inspirational Prof Yunus

I am glad to have gone the invaluable article by Prof Yunus published in the anniversary issue of The Daily Star. It was an invaluable article featuring up the needs for a democratic Bangladesh free from corruption and the pervasive ills that have been tearing off the moral fibers of democracy.

As the country is missing a worthy leadership and badly in need of an honest, sincere and patriotic personality to propel it up to a complete prosperity Prof Yunus's engagement in the welfare issue of the state is inspirational. We need other worthy people's spontaneous participation in this regard.

It is a happy note that we have a considerable number of good, skilled and patriotic people around us and their active participation on a common platform of national interest will enhance the promotion of the country.
It is not far that we will shine and prosper in a phenomenal scale --

we'll have to work for the country only.

Rafiqul Islam Rime
Agrabad, Chittagong

Science and technology

Monir Uddin's observations (DS Feb10) reiterates your low-key presentation of scientific and technological issues that are the prime movers of the twenty-first century. I believe that responsible English language dailies have an important role to play in bringing awareness about development in science and technology, and help increase our knowledge base on the subject.

You do to an extent cover IT, Computer and Medical issues, but not the many other interesting news of scientific interest. No mention was ever made of the great Bengali physicist (except by your columnist) we have in EU (maybe a prospective Nobel winner), or the engineer who has discovered a new transformer in USA ideally suited to Bangladesh application. These examples and much more modern

development in power, energy (particularly bio fuels) and communication which are so vital and relevant to Bangladeshi scenario need to be bought to readers' notice. You may introduce a weekly half page news items to start with. Articles and information in a proposed "Science and Technology" corner will awaken and encourage enthusiasm of your younger readers who will manage our destiny tomorrow.

Awareness on Science and Technology could be construed as moral obligation of a responsible and concerned media to the nation. It will help to take us forward in an age where more facades of everyday life than we can imagine, are dependent one way or the other on the rapid development of science and technology. Let us not ignore this reality staring us, if we care for our future.

SA Mansoor
Gulshan, Dhaka
Inclusion of

'Biharies' in voter list

The Election Commission has taken the right decision to include in the current voter list the so-called 'Biharies' of Bangladesh.

The Commission has done no undue favour to the few lakhs of very unfortunate people who should not have been pejoratively termed as 'Biharies' in the first place, because they are no more so but are Bangladeshis. Because, according to a survey 90 percent of them have not only wished to stay in this country as loyal Bangladeshis and get enlisted in the voters list but also the honorable High Court has already given judgment to include them in the normal voters list just as any other citizen of this country.

One cannot miss to recall the fact that the partition of the British India long fifty nine years ago in 1947 obviously made the earlier generation of these so-called 'Biharies' migrate from many parts of the British India. Once again, in the aftermath of 1971 in Bangladesh, mainly due to follies of some self-styled leaders who labeled them-

selves as "Stranded Pakistanis", and agreed to stay in the so-called Geneva Camps in inhuman conditions, it became a disgrace for them as well as all of us.

These unfortunate human beings constitute, as at present, the second and third generation of those who migrated to this country in 1947 or immediately afterwards. Most of the so-called 'Biharies' have been born here after 1971, and hence Bangladeshi by birth. Our previous authorities and the Election Commission, in particular, were perhaps not right to forget about these people. However, this time in 2006, the Commission has rightly decided to include these people in the current voters' list. Should any refuse to include their name in the list, may well be left out. But as I can see, over 90 percent of them would be happy to get enlisted in the voters list to get rid of, the stigma of so-called 'Biharies' for good.

MT Hussain
Ibrahimpur, Dhaka