

Donor accountability

Time to work out a mechanism

In a distinctly forward-looking seminar on Saturday, titled 'Monitoring Donor Support to Poverty Strategy in Bangladesh: Rethinking the Rules of Engagement' in Dhaka, the subject of donor accountability was brought to the fore and its entry into public discourse got flagged off. It is basically a derivative agenda from the Paris Declaration of the Organisation for Economic Cooperation and Development (OECD) which, inter alia, stated: "Donors too have the responsibility to measure the effectiveness of their projects". So, the issue is squarely placed on the table.

We are grateful to the donor community for their assistance in our development pursuits over the years since achieving national independence. We look upon them as our development partners. We have had, however, serious questions from time to time about donor conditionalities, 'donors pushing the aid agenda of their headquarters or applying global templates in designing projects without reference to any feedback about local cultural traditions and institutional characteristics'. One of the prominent features of the 'donor driven' phenomenon has been the overwhelming foreign consultancy component of projects.

Now the time has come for the relationship between the donor and the recipient countries to be recast, and made transparent and accountable not merely to each other but also to their respective tax payers. There is no question about donor bashing nor putting any side in the dock nor indeed engaging in a points scoring debate but to allow all the stakeholders a participatory role in ensuring that the resources are best utilised in the interest of the poor.

There is need for recognising and taking advantage of the national expertise and capacity that have grown over time through the interaction between aid giving and aid receiving countries. On the flip-side of that interaction has been a certain nexus developing between a recipient country government keen on undertaking politically convenient projects and a section of the donor community with the result that corruption was bred and the aid money failed to benefit the deserving ones.

All we need now is to develop a mechanism comprising the stakeholders' representatives whereby the effectiveness, transparency and accountability of all aided projects can be fully ensured. Greater public participation in and association of professional groups with the processes are highly imperative.

Tree robbers at large

Bring them to book

THE report from Bogra that thousands of trees have been felled and sold at throwaway prices through tender manipulation is the latest example of how forest resources are being plundered by either government functionaries or politically influential people, or a combine of both. The accusatory finger on this occasion is pointed at a local MP.

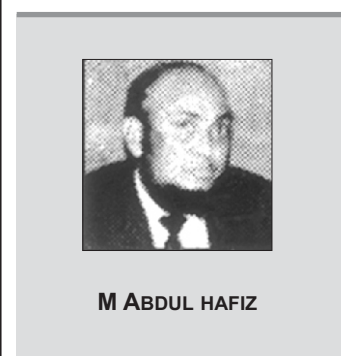
More than 7,000 trees are reported to have been sold under the cover of a secret tender where the local MP's men were presumably the sole bidders. Now, the criminal offence has to be examined in all its ramifications to gauge its real magnitude.

Firstly, national resources have been looted in a planned way where the complicity of forest department officials is far too obvious, as the number of trees in each forest block was shown to be 50 percent less than the actual one. So, it is a glaring instance of how a corrupt bureaucracy is working in tandem with unscrupulous political elements.

Secondly, the crime of felling trees has a highly negative impact on environment. So the corrupt elements not only violated the law by illegally selling the trees, thus depriving the public exchequer of a big amount of money, but also caused great damage to the environment. If such activities continue, then the slogans like "plant more trees" will soon be reduced to a deceitful expression of concern for greenery. Thirdly, the report indicates that the looters managed to thwart whatever attempt was made by some in the local administration to stop their illegal business. If that were true, we have reasons to be worried even more.

As corruption has lowered the image of the country abroad and it is identified as the number one malady affecting our economic growth, the cases like the one reported from Bogra need to be handled with firmness and clarity of purpose. The ruling party high-ups have to take stock of the situation and adopt such measures as will blunt the predatory instinct of their activists. The government, for its part, has to initiate a thorough probe and bring the culprits to justice.

The return of the Pied Piper?



M ABDUL HAFIZ

Ashrewd, sly autocrat who was ignominiously hounded out of power in late 1990 is almost garlanded back in this (seemingly) never-land of democracy -- thanks to the bankrupt politics pursued in this country since then.

In our fairly long experimentation with democracy, power has always been the staple of politics, which couldn't but produce its strange dynamics shorn of idealism, conviction, and values. As a result, our politics suffered denigration and debasement to an extent that even a discredited crook has become indispensable for political expediency i.e. salvaging one's sinking ship.

No wonder the fallen autocrat

PERSPECTIVES

The whole episode surrounding the old fossil has indeed laid bare the running sore the BNP is festered with. It has exposed the hollowness of its claims with regard to its "achievements" and revealed its inexorable slide toward public rejection and an incipient fear of losing the election. Although it has done everything conceivable to ensure an election victory through compliant election commission, caretaker government and an administration politicised in its favour, the BNP does not rest assured.

of 1990 is today wooed by the same quarter from which power was usurped by him in early 1982.

It is an irony and the nation's collective shame that the fetid character has at all returned to our political discourse even after a process of political catharsis and a good deal of democratic practices, pretensions and posturing.

We seem to be courting defeat before the forces of reaction and obscurantism, the mantra of BNP-Jamaat combine, now buttressed by Jatiya Party. The power in their vocabulary is the elixir of life and must be regained again and again by any means, fair or foul.

With this Machiavellian

approach, the BNP leading the four-party ruling alliance has opted to co-opt the man who while in power earned the sobriquet of being the "richest president of the poorest country."

The BNP and its "uncompromising" leadership did not have any compunction in forging an unholy nexus with him because it also has learnt the dubious distinction of bringing the country the world championship for corruption for the fifth time.

What's then happening to us? Are we harking back to a sullied past that we buried a decade and half ago? Are we then retrogressing as a nation? Does a fallen dictator ever stage a comeback -- that too with the patronage of those who played a role in his

ouster?

Haunted by these disturbing questions the nation is genuinely non-plussed at the developments where an "uncompromising" BNP supremo has turned to her once arch-enemy, who not only tormented, during his rule, the political activists of BNP, he also played havoc with the nascent party by luring away its leaders and a good number of workers to join his JP. What is, in the end, her compulsion?

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incipient fear of losing the election.

Although it has done everything conceivable to ensure an election victory through compliant election commission, caretaker government and an administration politicised in its favour, the BNP does not rest assured. It is not prepared to leave anything to chance for there is an unpredictable element in the whole process: the people who constitute the electorate.

No one knows how would this huge body of electorate -- already alienated from the incumbent government, lashed by unprecedented inflation, price hike and terror-turned-militancy and disillusioned by BNP's broken promises -- would finally behave. They may create imponderables putting all prediction and calculation of electoral arithmetics haywire.

The country's political following is more or less evenly distributed between two opposing political forces. A small percentage of votes from any quarter to either of them will tilt the balance. Hence this desperate bid to co-opt the support even of a former dictator.

Even if Ershad has informally thrown in his lot with the four-

party alliance, its political cost for the alliance will be rather exorbitant if Ershad's pipe dreams are to be fulfilled. Moreover, the entire deal with the man is fraught with risks for the BNP which may further alienate the public with the immoralities inherent in it.

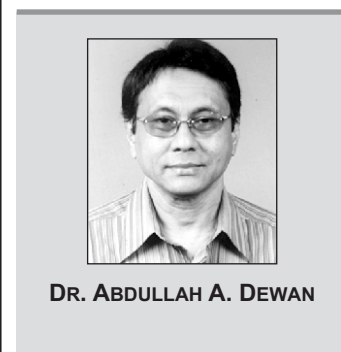
Ershad is virtually asking for the moon i.e. 50 parliamentary seats, proportionate number of ministerial berths, the presidency, and, most ominously, the withdrawal of all criminal and corruption cases pending against him.

Can the BNP give all these without slurring its own face? The electorate will not see such an immoral deal in good light.

Therefore in the ultimate analysis, any party courting Ershad may lose more than it would gain. Ershad may turn out to be a liability for any political outfit trying to benefit from its alliance with him. It clearly involves the riddle: who gets how much from whom. It will be far from easy to solve the riddle while some people have unnecessarily given him the space he doesn't deserve in our national politics.

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Pitting Sunni against Shia



DR. ABDULLAH A. DEWAN

THE on-going war between Hezbollah and Israel has a dimension that spans well beyond the two foes who have been entrenched in a constant struggle in southern Lebanon for nearly 25 years now. Most Westerners believe that the eruption in Lebanon is, in effect, a proxy war. On one side is Hezbollah backed by Iran and Syria, and on the other, Israel and America. Israel justifies fighting in self-defense while tacitly acting as America's surrogate in the latter's arm's-length confrontation with Tehran.

The West is bent upon keeping Israel, with its alleged 200 nuclear weapons, as the only superpower in the oil-rich Middle East. Maintaining this status has become even more compelling given America's unabated predicament in Iraq.

At the G-8 Summit, President Bush said: "One of the interesting things about this recent flare-up is that it helps clarify a 'root cause' of instability in the Middle East -- and that's Hezbollah and Hezbollah's relationship with Syria, and Hezbollah's relationship to Iran, and Syria's relationship to Iran. Therefore, in order to solve this problem it's really important for the world to address the 'root cause.'" One wonders if Bush deliberately missed Israel and US rapport in the balancing equation of the "root cause."

For years now, the World has

NO NONSENSE

Some observers were wondering if Washington was tacitly encouraging Israel to attack Syria? The July 30 issue of the Jerusalem Post indicated that officials of the Israel Defense Forces have been "receiving indications from the US that the US would be interested in seeing Israel attack Syria." If it was indeed Israel's plan, this could explain Israel's overreaction to the kidnapping of its two soldiers on July 12. This could also explicate why the US resisted ceasefire in the face of almost global outcry against Israel's spree of wholesale killing of civilians in Lebanon.

used the term 'root cause' to underscore Israel's occupation of the West Bank, Gaza and East Jerusalem as one of the primary root causes behind a destabilized Middle East. I asked myself why our president, for whom I voted in the last election, misconstrues evidence so palpably.

I may have found my answer in a July 16 article in The Los Angeles Times: "Does Bush lack what it takes?" in which Jonathan Chait asks whether George Bush is "too dumb to be president?" In a recent book, journalist Ron Suskind portrayed Bush as a "man who reads little, eschews details, and gets most of his information from briefings."

Washington may have grossly miscalculated Israel's war of demolition of Hezbollah as an opportunity to drum up Arab sentiment against growing Iranian influence in the Middle East. Even the perceived US ally, Prime Minister Nuri al-Maliki of Iraq in his July 25 press conference with President Bush refused to castigate Hezbollah for its kidnapping of two Israeli soldiers.

It is highly unrealistic to expect that a democratically elected Arab government would chastise Hezbollah while Israel expands its onslaught on Lebanese Arabs. But Maliki's differences with Washington over Lebanon are beyond simply symbolic: Maliki heads a Shi'ite coalition govern-

ment dominated by three radical groupings all of which have ties to Hezbollah and Iran.

The pro-Western Sunni states fearful of spreading of Hezbollah's influence and emergence of Iran's ascendancy in the region made some brusque statements only to recant later.

-- Saudi Arabia castigated Hezbollah for kidnapping the two Israeli soldiers in Lebanon, and rightly so, but then went on indirectly reprimanding Syria and Iran;

-- In December 2004, Jordan's autocrat King Abdullah nervously described the emerging alliance of Syria, and Iran as a "Shia crescent";

-- In an oblique reference to Iraq's Shi'ite majority government, Egypt's dictator Hosni Mubarak caused a huge uproar when he said: "Most of the Shi'ites are loyal to Iran, and not to the countries they are living in."

These Sunni Arab autocrats prefer to be humiliated by Israel time and again, remain loyal to their Western protectors for continued autocracy rather than democratizing their rule of governance. Professor Charles Harb, of Beirut's American University, puts it this way: "For the first time in recent history, Saudi Arabian, Egyptian, Jordanian, Israeli, and US interests now converge in an implicit alliance to quell

Hezbollah."

Patrick Buchanan argues: "Instead of maintaining the moral and political high ground it had -- when even Egypt, Saudi Arabia, and Jordan were condemning Hezbollah, and privately hoping Israel would inflict a humiliating defeat on Nasrallah -- Israel launched an air war on an innocent people. Now, 87 percent of Lebanese back Hezbollah, and the entire Arab and Islamic world, Shia and Sunni alike, is rallying behind Nasrallah."

It seems the shocking collateral damage of Bush's resolute support of Israel's flattening of southern Lebanon is the irresistible sympathy generated for Hezbollah across the Shia-Sunni divide. On July 28, The New York Times reported that Saudi Arabia and Jordan which "were initially more worried about the rising power of Shiite Iran, Hezbollah's main sponsor, are scrambling to distance themselves from Washington." It seems the US plans to realign Middle East politics along Shia and Sunni divide has become far-fetched.

The probing question is: does the available evidence support the notion that Iran wants to be the balancing power in the Middle East? If one looks analytically, the lining up of an axis of alliance, the so called emergence of a "Shia crescent" comprising of

Iran (88% Shia and 10% Sunni), Syria (15% Shia and 74% Sunni), and Sunni Hamas, does not seem compelling.

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In 1982, President Reagan, during his meeting with Prime Minister Menachem Begin, had described the then Israeli devastation of Lebanon as a Holocaust, but a quarter of a century later, Bush and Blair looked on at the replay of Israeli brutalization of the same country.

Editor of the Weekly Standard, and the neo-conservative creed, Bill Kristol argues: "Hezbollah and Hamas aren't the real enemies: it's Syria and especially Iran that have to be dealt with, and not by the Israelis but by the Americans." Why so, because both countries are "enemies of the United States." They can be dealt with two ways: promoting "regime change" and maybe even dropping bombs on Iran's alleged nuclear weapons facilities. After all, opines Kristol: "Why wait? It's never too soon to start the bombing."

The neo-cons duped Bush with the wistfulness that Iraq was only months away from acquiring a nuclear arsenal, that the invading

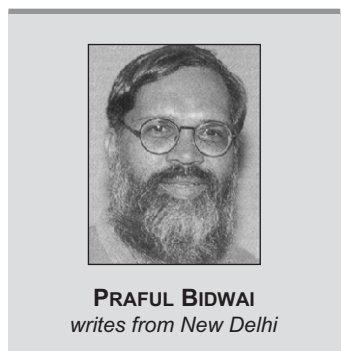
US troops would be hailed with candy and flowers, that democracy would glow across the Middle East, that Israelis and Palestinians would live peacefully thereafter. In reality, Bush's "axis of evil" is now emerging as "axis of regional powers" -- the most undesirable outcome to deal with.

A war between Israel and Syria is highly unlikely (and must not be) because a Jewish life is worth many times more to Israel and the American administration than an innocent Arab life. One of the root causes of violence in the Middle East is that the Palestinians in the occupied territories are treated the way the Romans treated the early Jews, the white South African treated the native blacks during apartheid. Make no mistake, I am as much anti-Zionism as I am anti-terrorism, anti-racism, anti-Islamist, anti-ethnic cleansing, and anti-Sunni/Shia schism.

Uri Avnery and Gush Shalom from Jerusalem wrote that the autocracies of the Middle East "owing to their unrepresentative nature and surrogacy to external interests, certainly fear combative forces gearing up from within, which if combined with regional chaos can only hasten the dissolution of a US-led power elite. The US policy featuring a disproportionate and exclusive preoccupation with the Iranian nuclear program is not only alarmist it is equally premised upon pitting Muslims against fellow Muslims by playing on the vulnerabilities of autocratic Arab regimes."

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Hijacking Yojana Bhavan?



PRAFUL BIDWAI
writes from New Delhi

HAS India's United Progressive Alliance leadership decided to learn nothing from its unsuccessful past attempts, like in the BHEL disinvestment case, to pursue policies which run counter to its own National Common Minimum Program?

Going by its now-abandoned decision to divest equity in Neyveli Lignite Corporation, and repeated efforts to facilitate the hiring and firing of workers by drastically amending labour laws, the answer would seem to be "yes." The divestment decision was reversed after the DMK threatened withdrawal from the UPA. But the government is still

The Paper calls for 8.5 percent growth. However, India's experience shows that faster GDP growth does not lead to higher employment or incomes, leave alone a better life for the masses. The latest statistics show that the rate of decline of poverty has recently decreased. Clearly, what's needed is a change of growth strategy. The Paper bypasses this.

keen to promote hiring and firing - through the Special Economic Zones backdoor.

And now, Planning Commission Deputy Chairman Montek Singh Ahluwalia is giving the 11th Plan a distinctly free-market, or neo-liberal, thrust, which is incompatible with the NCMP. He has hijacked the Approach Paper to the Plan by rewriting it.

Mr Ahluwalia offered to "polish up" the original text approved by the Commission and unethically introduced substantial changes. The Paper has thus been robbed of authority and legitimacy.

This lapse is serious. The Planning Commission derives its importance from its moral authority, not the Constitution.

Mr Ahluwalia's blatant spin-doctoring of the Approach Paper has provoked protests from his

colleagues in the Commission. Some are "disturbed," in particular, at the smuggling-in of a new section which "endorses further liberalisation of banking, insurance, and pension funds" and other "free market" recommendations too, such as capital account convertibility.

Discontent with the Paper's new avatar isn't confined to the Commission. Senior Cabinet ministers, Arjun Singh and Mani Shankar Aiyar, have sharply criticised it.

The Paper also received flak from economists, Chief Ministers, state planning board members and NGOs in recent consultative meetings held in Mumbai, Delhi, Shillong, Kolkata, and Thiruvananthapuram.

A comparison of the Approach Paper with its classified original draft is revealing. Far from "tight-

ening" the original text, Mr Ahluwalia has lengthened it by one-fifth. He has added "Conclusions", a new chapter, which harps on "trickle-down" assumptions: "India's economic fundamentals have improved to the point where we now have the capacity to make a decisive impact on the quality of life of the mass of our people." The Paper calls for 8.5 percent growth.

However, India's experience shows that faster GDP growth does not lead to higher employment or incomes, leave alone a better life for the masses. The latest statistics show that the rate of decline of poverty has recently decreased. Clearly, what's needed is a change of growth strategy. The Paper bypasses this.

The Paper is entitled "For

Faster and More Inclusive Growth." But it is obsessed with growth. It denies the reality, noted in the original draft, "that development has not bridged [economic] divides; it may even have sharpened some of them."

The Paper trivialises these real divides into mere "perceptions," some of them "exaggerated."

The Paper assumes that India can boost growth by raising investment from 29.1 to 35.1 percent. These investment rates are much lower than China's, but they're supposed to produce Chinese-level GDP growth! This is wishful thinking.

The revised Paper is weak on reviving agriculture, India's highest priority. It targets a doubling of agricultural growth, but has no strategy. The recommendations repeat past approaches, which led to 100,000 farmers' suicide in a decade.

The Paper is equally lame on strategies to boost industrial growth from 8 to 10 percent-plus. It doesn't discuss how barriers to growth such as "absence of world-class infrastructure and

shortage of skilled manpower" will be overcome.

The revised Paper promotes the WTO agenda of the developed countries, by recommending further "reduction of tariffs on non-agricultural products." But India wants to make this conditional upon a reduction in Western farm subsidies.

The original draft says: "A political consensus [should be] built on ...greater flexibility in some of [our] labour laws [and] progressive reduction of long-standing entry barriers in sugar, petroleum refining, fertiliser and drug industry."

The revised Paper recommends "greater flexibility" in labour laws as "a key issue." It wants to allow the hiring and firing of workers and employment of contract labour. This will remove elementary protection for workers.

The Paper also says: "de-reservation" of small-scale production has reduced the SSI list "from about 800 to 326. This policy should continue at an accelerated pace." This runs counter to the NCMP's pro-SSI

promises.

Even more objectionable are the Paper's recommendations for "an increased role for foreign financial institutions in the domestic market and a ... calibrated opening ... to international capital markets." Capital account convertibility has been rejected by various official committees. The East Asian crisis of the 1990s exposed its risks. Malaysia, alone, resisted such pressures and came out relatively unscathed.

Similarly, the revised Paper calls for weakening environmental protection by raising a false alarm against "a new licence-permit raj." It also fudges the issue of rehabilitation of those displaced in the name of development.

The Paper's macro-economic assumptions leave existing tax and public spending ratios unchanged. They fail to transform public enterprises from being net savers to net investors in the infrastructure and services. This conservatism derives from an obsession with the Fiscal Responsibility and Budget

Management Act, which imposes artificial constraints on public expenditure.

The Paper's fatal drawback is its "trickle-down" growth, and its failure to focus on employment and improving welfare.

Messrs Arjun Singh and Aiyar have raised several pertinent points regarding their portfolios, including access to education, panchayati raj and skill development, as well as broader issues like agrarian distress, energy security, food distribution, etc.

Similar concerns were voiced in the five state-level consultations by a number of Chief Ministers, social scientists and rehabilitation NGOs.

The question now is whether Mr Ahluwalia will take these on board and honestly incorporate them into the Approach Paper -- as he should, unless he wants to make a mockery of the planning process.

If the 11th Plan is to be owned by all official agencies as a consensual document, Mr Ahluwalia must abandon his unethical ways and radically revise the Paper.

Praful Bidwai is an eminent Indian columnist.