

**Budget: Can it be implemented?***Govt taking on a huge challenge*

**T**HIS is our initial reaction to the budget proposals for fiscal 2004-2005. More will follow as it must, given the thought-provoking nature of the extraordinary budget betraying a certain political overtness. It gets the better of pragmatic economic or developmental considerations.

There is no mistaking the fact that the proposed budget is oversized -- in terms of income, expenditure and shortfall projections. The revenue and tax collection targets are set at such high notches that the government's institutional capacity will be put to a severe test, the kind of which it has not experienced before. Underachievement could precipitate a budgetary chaos.

While downsizing of the government, leaner and efficient administration, and a reasonably deficit-free budget are the global catch-words today, we are seemingly moving in the opposite direction. A bigger budget calls for a bigger handling capacity. Are we institutionally prepared for the task? The cap on fresh employment is likely to go, although there is overstaffing in certain areas. Where is the downsizing of the government? We are baffled by the bigger financial burden the government seems set to creak under, all of its own volition.

Our second point has to do with the perceived 'transfer of resources' to the rural areas. Let's not forget, increased allocations to the rural sectors, hardly a novelty in the present case, did not lead to any real transfer of resource to the villages thus far. On the contrary, the poor have become poorer and the rich richer. Unless we have devolution of powers with a strong local self-government system in place, larger allocations by themselves cannot rule out the discrimination in resource distribution.

Raising the salaries of government functionaries has been long overdue. We are all for it. But it has a natural linkage to administrative reforms designed to raise the level of their efficiency; we can hardly gloss that over. The recruitment and promotion rules will have to be kept above political caprice as part of a comprehensive services reorganisation dispensation.

At the heart of the tax discourse has been the idea of expanding the direct tax base; but it is indirect taxation whose incidence falls on the common man that has been taken recourse to in a good measure.

The fiscal measures to alleviate the post-MFA handicaps for the RMG sector left more to be desired. Only a Tk 20-crore provision to absorb those who are likely to be retrenched, hardly goes far enough. Government needs to fiscally facilitate our garment industries' effective transition to the post-MFA era. On another pillar of our economic strength i.e. foreign remittances, the budget remains silent over the question of breaking new grounds. No fresh incentive has been provided to draw investments from the Bangladeshi Diaspora.

**Adulterated alcohol claiming more lives***Proper monitoring and awareness urgently required*

**L**ACK of supervision, failure to punish illegal alcohol traders and above all complete ignorance and unawareness among consumers contributed to the unfortunate death of four men in Kushtia last week. They, along with some others, bought adulterated alcohol from a local vendor and consuming it became sick. But most unfortunately, their relatives did not take them to the hospital at first to avoid harassment by the police. Later they changed their mind, but even then, as the civil surgeon of Kushtia said, they did not disclose the real cause of their sickness.

Had the doctors not become suspicious after the death of two drinkers, all of them would have probably met with the same fate. Only a few months ago, at least fourteen people died in the same town after drinking rectified spirit. Similar incidents had taken place elsewhere in the country in the past as well claiming even larger number of lives. The authorities had committed to take necessary actions to prevent such unfortunate accidents. But lack of supervisory measures and stricter controls over the sale of such drinks seem to have encouraged the illegal traders to carry on with their spurious business.

Is there any body at all to monitor such illegal trading that is claiming lives since the incident last November? Has anybody been arrested or brought to justice in recent time for such crime? These accidents usually take place at the small towns and the customers of the adulterated alcoholic drinks mainly come from the lower strata of society who are not usually bothered about the quality. And that's why the responsibility of the district administration and the police is far greater. Apart from taking actions against the traders, steps must be also taken to bring awareness on the hazards and risks of such spurious drinks, among the people.

**Good governance and economic progress**

MUHAMMAD ZAMIR

**B**ANGLADESH is making headlines again and for the wrong reasons. Controversy articles published in important international journals are not only characterising Bangladesh as a 'dysfunctional country' but also as a state which suffers from violence, corruption and political turmoil. Criticism of this nature does not add to the stature of the country. Misfortune is further ensured through editorial policy where observations are accompanied by disgraceful photographs.

Such open criticism was not the usual norm a few years ago. Natural disasters created world sympathy and an image problem but some degree of pride and admiration were also won in the international arena through successes in agriculture, water management and flood control, micro-financing, wider spread of primary education and international peace keeping.

Why is this happening now?

On the one hand we have the United Nations' Economic and Social Commission for Asia and the Pacific lauding 'macroeconomic stabilisation' in Bangladesh and predicting 5.5 per cent growth. We also have the Governor of the Bangladesh Bank expressing optimism about economic buoyancy. On the other hand we have warnings that we are living in a country that is a 'political experiment'. It is difficult for many to dovetail these contrary views given the battering that our image is receiving in the international press.

There is a simple answer. Poor governance. It is reflected in feelings of personal insecurity, absence of law and order, nexus between criminals and politicians, lack of accountability, prevalence of widespread corruption and abuse of human rights. These are the factors that are giving us a bad name.

'Governance' in general and 'good governance' in particular are metaphors that have become household buzz words. For well over a decade, the notion of good governance has served as a general guiding principle for donor agencies to demand that recipient governments adhere to proper administrative processes in the handling of development assistance and put in place effective policy instruments towards that end. The concept of good governance, according to Martin Doornbos, appears to have

desirable factors. If we can do so, it will enhance our image. That is more important than the repeated sermons doled out to the journalists by the Establishment.

I believe that good governance is the first step in becoming more competitive in a world market where attracting direct investment greatly rests on certain perceived conditions. The concept of governance or state management, if not carried out properly, can lead to additional costs for each transaction that is undertaken either by an individual, a company or the state.

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I will now try to identify some of the significant difficulties that are met in Bangladesh in different sectors. Law Enforcement, the Judicial System, Board of Investment (BOI), Power, Gas, Telecommunications, Customs and Taxation and Ports and Shipping and also suggest possible reforms.

The complaints with regard to

**POST BREAKFAST**

**I**t is the Government's failure that creates the conditions for negative reports. No amount of lobbying by our diplomatic Missions abroad can create a favourable image, in a situation, where real news can be accessed to easily and instantly through web pages. Economic diplomacy demands that we get our act together instead of trying to find scapegoats.

become prominent in international circles around 1990 and became a favourite part of the vocabulary of political scientists immediately afterwards. Over time, this concept has grown to include evaluative questions about proper procedures, transparency and the quality and process of decision-making.

From a global policy-making perspective, in its scope and potential coverage, the notion of governance has had an a priori attractiveness not only for donors but also for the international media.

Administration and management in developing countries in particular have consequently been observed through its lens and assessments made accordingly.

The scope of vagueness in the term has enabled critics, at times, to come down heavily on their country of choice.

Such ambiguity has however not been the case with Bangladesh. At different times, various institutions have come forward and critically viewed our political processes and clinically commented on the implications of bad governance in our country. In this context, they have also highlighted the absence of accountability and transparency that are supposed to co-exist in a democratic ambience.

The question that arises is whether good governance is relevant in terms of time or expense.

In the last two months there have been several workshops, seminars and published reports dealing with just this problem. Most of them have outlined how indirect costs have increased the cost of doing business in Bangladesh and affected our chances of receiving foreign direct investment.

In this context they have referred to the improprieties related to securing adequate infrastructure, unofficial payments in obtaining the necessary licences and permits, dealing with government bureaucracy, importing or exporting goods, ensuring security of property and personnel and time required to complete transactions. The disappointing conclusion in most of these surveys was the consensus that bad governance was directly responsible for hidden costs becoming an integral part of doing business in Bangladesh. It was also evident that the business sectors generally agree that time lost makes otherwise sound investment uneconomical.

As we move forward in the path of economic progress, the government has to be seen as effective and efficient. We are witnessing today many failures that need not happen. Better management and streamlining of the existing mechanism can greatly reduce these

corruption in this sector. The first step should be to improve billing and revenue collection systems, primarily through computerisation. Private investment should also be encouraged in this sector through inter-active government policy and an independent regulatory agency. In addition, as has been done in several Asian countries, meter reading, bill preparation and distribution may be contracted out to the private sector on an area basis, to ensure competition.

Private investment should also avoid any nexus with favoured political links. There has to be transparency and accountability with the process of tendering for such involvement being in open web pages online. If Singapore can do it, we can try to do the same.

Another area which requires re-organisation is the BOI. It has been explained by the Executive Chairman of this institution that several bottle-necks exist and that efforts are underway to remove them. Unfortunately, time is money and opportunity and neither waits for anyone. One does not understand why more intensive coordinated measures have not been taken in the last two years of this Administration to give sufficient power to BOI to cut through bureaucracy and deliver quicker services to investors. There is need to do so if it is to be a truly effective one-stop

service center. In most cases it is still unable to issue required licences and certificates for Trade, such as, Import/Export Registration Certificate, VAT Registration, etc. Narrow parochial political interests have also hampered the establishment of industrial parks throughout the country under the authority of the BOI in association with private sector entrepreneurs. Better governance demands more coordination, less red tape and greater facilitation.

The other difficult area relates to Customs, Taxation, Ports and Shipping. There have been some effort to streamline these sectors, but it appears to have been more for the gallery than the actual stakeholders. Procedures continue to be time consuming and cumbersome and consequently create the scope for bureaucratic discretion. In other words, corruption is encouraged. There is no reason why operations in these sectors cannot be made more transparent and efficient by reducing levels of paperwork. In addition, as is done in other Asian Countries, computerisation should be introduced to ensure faster processing and turn around of required action. This will also reduce the scope of corruption, ensure better documentation, preservation of records and simplify procedures.

In addition, human resources management and the compensation practices in the public sector has been modernised. Performance of public officials should similarly be evaluated not on political preference but on merit, transparency, efficiency and accountability. This will restore confidence and bring forth responsible decision-making.

Any Administration which is unable to assure these elements has no right to expect that it will get a good press. It is the Government's failure that creates the conditions for negative reports. No amount of lobbying by our diplomatic Missions abroad can create a favourable image, in a situation, where real news can be accessed to easily and instantly through web pages. Economic diplomacy demands that we get our act together instead of trying to find scapegoats.

Muhammad Zamir is a former Secretary and Ambassador.

**More moral than legal**KULDIP NAYAR  
writes from New Delhi

into an open ballot. State assembly members were stopped from indicating their preference of secrecy, as was the practice before. They were henceforth legally required to show the ballot paper to the party's authorised agent before exercising their right.

My petition challenges both the points. Take the residential requirement first. This is essential if the Rajya Sabha has to stay as the house of the council of states, as spelled out in the constitution. How could an outsider represent

or small, should be equal on the lines of the US Senate. The suggestion was not accepted. The Constituent Assembly, however, emphasised the importance of the upper house in the affairs of the country. In the constitution itself the primacy of states was kept in mind. The Centre was an administrative point but could not ride roughshod over the federal structure, the essence of the polity.

My plea is that when Parliament

deleted the residential qualification for the Rajya Sabha member, it

that matter, one city. A few leaders from the Congress and the BJP have argued that the law to drop the residential qualification was the product of a consensus. But the law passed on the basis of a consensus does not become a right law. The question is moral. The nation's ethos is not a set of laws which political parties decide to pass on the basis of convenience. There is something called values. Once you trample upon them you cease to have distinction between right and wrong, moral and immoral.

Another question posed is: how can the court go into an amendment which is duly passed by both the houses? This is true. The court intervenes only when it comes to believe that such a law goes against the basic structure of the constitution. In its pronouncement in the Keshavanand Bharti case, the Supreme Court held that Parliament had no power to change the basic structure of the constitution. Federalism was defined as one of the basic features.

My petition was fixed for hearing on July 12. I would not have gone to the court for a stay order if the Chief Election Commissioner had deferred the biennial election of the Rajya Sabha members. I did not challenge the election of 11 members to the house after the new law because all of them belonged to the state from where they were elected. It is a fallacious argument by the Commission that it had issued the notification by the time the court's stay order came. I had sent a letter to the Commission requesting "it to defer elections till the disposal of my petition" along with a copy of my petition. I again reminded the Commission of the petition five days before the notification. But it did not pay any heed to my letters. Heavens wouldn't have fallen if elections had been postponed. After all, the Commission had to cancel the notification at the court's order.

The Commission should not have made it a prestige issue. Ideally, it should have requested the court for a day-to-day hearing for an early disposal of the petition because the points raised were germane to the character of the constitution.

Kuldip Nayar is an eminent Indian columnist.

**BETWEEN THE LINES**

**A**s the law stands today, all the 250 Rajya Sabha members, excluding the 12 nominated members, can be elected from one state or, for that matter, one city. A few leaders from the Congress and the BJP have argued that the law to drop the residential qualification was the product of a consensus. But the law passed on the basis of a consensus does not become a right law. The question is moral. The nation's ethos is not a set of laws which political parties decide to pass on the basis of convenience. There is something called values. Once you trample upon them you cease to have distinction between right and wrong, moral and immoral.

the state, its feelings or aspirations? B.R. Ambedkar, father of the constitution, assured members former President R Venkataraman was one of them -- there was no doubt that the lower house was the house of the people and the upper house of that of the states before the Lok Sabha election results were out.

Let me begin from the beginning. Nearly two years ago I was still a member of the Rajya Sabha -- Parliament brought about an amendment to change the law on residential requirement for a Rajya Sabha member. The old law laid down that a member should ordinarily be living in the state from where the assembly returned him or her.

The new law did away with the residential qualification. The word, 'State', was deleted and 'India' was inserted in its place. What it really means is that anyone from any state assembly can be elected to the Rajya Sabha.

The BJP-led government piloted the amendment. But the Congress and the BJP apparently came to an arrangement and decided to drop the residential requirement. The communists opposed the bill. So did a few independent members, including myself. But it was passed. The bill did one thing more: it changed the system of secret ballot

chipped away at the federal structure. The states' right to be represented in Parliament was forfeited. The constitution was wronged both in letter and in spirit. When the amendment bill was being discussed in Parliament, the National Commission on the Review of the Constitution was set up. It warned the government against such legislation which, according to the Commission, would affect the concept of federalism. The government still went ahead.

As the law stands today, all the 250 Rajya Sabha members, excluding the 12 nominated members, can be elected from one state or, for that matter, one city. A few leaders from the Congress and the BJP have argued that the law to drop the residential qualification was the product of a consensus. But the law passed on the basis of a consensus does not become a right law. The question is moral. The nation's ethos is not a set of laws which political parties decide to pass on the basis of convenience. Once you trample upon them you cease to have distinction between right and wrong, moral and immoral.

True, the two major parties joined hands to have the new bill. This was because they were always hard put to have in Parliament the people who had either lost in elections or to be accommodated as ministers for their political clout. In fact, the parties have been circumventing the domicile clause by asking their members to submit wrong rent receipts and bogus ration cards to prove their residence in that particular state.

A study of the Rajya Sabha membership for half a century, from 1952 to 2002, reveals that five per cent of the Rajya Sabha members did not belong to the state when they were elected. This percentage

ond point in my petition is the secrecy of voting. This is something basic for a democratic polity. Assembly is not an auction place where the show of hand will decide which party has got how many members. Money will play a bigger role than before because the buyer is sure to check the votes before they are cast. Some members, who were irked by conscience, used to vote against the party candidate. Now they would have to fall in line knowing that their dislodgement might cost them the party membership. Strange, the election to the upper house in states continues to be on the old pattern, through a secret ballot.

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.

**Environment and development**

in Asia and Pacific. ESCAP has also undertaken work on institutional capacity building on environmental and development. A major achievement in this regard is the establishment of a Regional Network of Environment and Economic Policy Research Institute. Over the years, UNEP has been working as a major depository in publishing and disseminating works on global and regional environmental issues with its four specialised units: Global Environmental Monitoring System (GEMS), Global Resource Information Database (GRID), International Register Potentially Toxic Chemicals (IRPTC) and INFORTERRA.

Economic development and sound environmental management are complementary aspects of the same agenda. Economic problems cause / aggravate environmental degradation which obstructs economic development and structured reform.

International initiatives have played a vital and decisive role in developing environmental awareness and in making the issue an integrated part of development in global perspective. But while there is strong agreement at the conceptual level on the need to integrate policies for development and environment, a large gap between theory and practice still remains. Given the current levels of environmental degradation and economic confusion, this is not an easy task. The planning and implementation of development initiatives will have to change significantly, the global economy will have to be fundamentally restructured and the international co-operation will have to take a quantum leap

international politics at the PMO. It is only fair that the government looks at everything in detail before it takes action against Mr. Islam and some of the other bureaucrats whose names have come to light as those to be axed because of close association with Mr. Islam. Frankly, the way the accusations have been levelled against the bureaucrats leave a lot of room for doubt about the basis of these accusations.

However, the whole episode does put the PMO in a very sorry state of affairs. Although the Acting Secretary may have been a victim of conspiracy rather than a conspirator, there have been stories about him too in the way he interfered in promotions and transfers. Everybody knew this for a long time that the Establishment Division or the Cabinet was just carrying on directives of these officers at the PMO,

PMO, of whom the Acting Secretary was a key figure.

We call upon the PM to use this development to sort out the PMO. The PMO is an office to help her manage her time and conduct her affairs professionally. It is not a Super Ministry. It must be cut down to size and manned by professional people. The PM herself needs to be ever vigilant so that the officials at the PMO do not exert the sort of power and influence they do. Power corrupts and power exercised unlawfully as by the officials at the PMO only brings bad name upon the PM.

**Shahjahan Ahmed**  
Dhanmandi RA, Dhaka

**What is our fault?**  
It's my fourth year running in the department of English at

situation?

**Resha Samin**  
Department of English, University of Chittagong

**BBC poll**  
Though Mr. MM Asaduzz