

## Budget implementation

Secretaries tasked, but there's more to it

SAIFUR Rahman's hard-sell budget has been adopted by the parliament with minor modifications that leave its overall fiscal size intact. A Tk 58,000 crore challenge, to be sure. The opposition boycotted the passage rituals preceded by their generalised critique on the budget that fell short of pinning the government down on specific provisions. So, now, the directional aspect of the budget, which provoked a good deal of criticism is to be set aside for future evaluation. What is at hand now has to be dealt with, namely, the challenge of implementing the budget.

The secretaries of various ministries are supposedly mandated to play a pivotal role in utilisation of budgetary allocations and implementation of development projects. That's why, for perfectly understandable reasons, one would like to think, finance minister M Saifur Rahman has tasked the secretaries to efficiently utilise funds. The secretaries must give themselves a longer lead-time by making an early start in September rather than a delayed one in December, the finance minister pointed out. His emphasis on internal and external auditing to curb financial irregularities should merit an instant endorsement.

All this is very good; however, is the utilisation of budgetary funds or implementation of development programmes entirely reliant on secretaries? The ministers, secretaries and directors-general of the projects have their respective roles to play, not obviously at cross-purposes, but in a mutually reinforcing fashion, in ensuring implementation of projects within a specific time-frame. Projects may be of a particular ministry, but their implementation involves a whole lot of inter-ministerial clearances, given the multiplicity of stages or hurdles it has to cross. The answer lies in delegation of authority to the various tiers. Of foremost importance is the simplification of the procurement process, a justifiable concern that needs to be addressed through a high level cabinet decision. Little wonder, cluttered formalities translating into time-and cost-runs fling open doors to corruption and manipulation of all sorts that only fatten the vested interests.

Many a project needs to be doused of political considerations underlying it. In an overarching sense, depoliticisation of bureaucracy will have a positive bearing on the speed of development projects.

One hump on the road to development is the customary practice of implicating top bureaucrats in the corruption cases filed against ministers and high functionaries of an outgoing government by a government replacing it. This keeps high government officials from taking forceful initiative in developmental matters for fear of reprisal with the change of government. This particular Sword of Damocles is a purely political weapon which is now being wielded with alternating frequencies by governments to the detriment of our development pursuits. If we have a truly independent anti-corruption commission in place, it would be a powerful anti-dote to corruption in high places minus political skulduggery.

## Wrestling with fanaticism

Who buckles?

WE have noted with consternation the last-minute cancellation of a women's wrestling competition, under the threat of a little known religious organisation and an even less known individual. The excuse offered by the state minister suggests that he has scant respect for the level of comprehension and intelligence of the public.

It is sad but true that the authorities have once again capitulated under the threat of fanatics and bigots. This is not the first time the government has given in to the most preposterous and undemocratic demand by the religious obscurantist elements, related to women's sports in Bangladesh. On a previous occasion, a women's football match had to be called off because of fanatical threats.

We fail to see why the government countenances the bigots' attempt to mix up sports with politics in the same way that they mix up politics with religion. How does a perfectly recognised sports like wrestling, participated by women, in a spirit of true sportsmanship and following the norms of decency under international rules, appear obscene and vulgar to some? After all, there are many sports that our ladies participate in like for instance *hadudu* which has never been regarded as a no-go item of sport in Bangladesh. Let's not forget that Muslim women have fought in wars in Islamic history.

When will the authorities realise that caving into such threats only helps to give credence to the ultra-orthodox elements. There is no gainsaying that these fanatics and traders in religion could be emboldened to make a new demand for banning something else against women's interests. So, we have to nip the tendency in the bud or else we invite a genie out of the bottle.

We strongly feel that the authorities, instead of canceling a sports event like women's wrestling for fear of the fanatics, should have actually arrested the person or persons who had made the threat and committed them to the process of law.

# Urban governance and mayors' demand



AMM SHAWKAT ALI

"MAYORS want more power" was an editorial title of an English daily. The subtitle to the editorial read: "Justified demand, needs urgent attention." The editorial drew attention to the fact that it was not for the first time that the mayors of all city corporations in Bangladesh asked for more powers to serve the city dwellers.

The editorial came in the wake of a meeting of mayors in the recent past attended by all the mayors, except the mayor of Chittagong, who was reportedly out of the country. In that meeting, the mayors firmed up their views and decided to place them before the Prime Minister for consideration and acceptance. The details of what exactly was the proposal worked out by the mayors are not known. What has come out in the print is that the mayors wanted an end to dual administration in the city corporation, besides abolition of the activities of development authorities and voluntary organisations. The rationale for such a move was "to provide better services to our citizens without interference from the above."

While the above view taken by the mayors provides but scanty information, it is necessary, nevertheless, to look at the issues. First, the question of dual administration. The obvious reference is to the Local Government Division (LGD) of the Ministry of Rural Development, Cooperatives and Local Government. This ministry has traditionally been headed by a senior minister, usually the general secretary of the party in power. When the mayors are elected from the same party, prima facie, there should not be any difficulty in understanding and accom-

modation between the minister and the mayor. Strangely enough, the demand for more authority was elected in the past when the two elected functionaries belonged to the same party. The case of mayor Hanif is an example. The same demands are also being voiced now when both the minister and the mayor belong to the same party.

The problem thus goes deeper than mere human or party relationship. It may well be an institutional problem and not just a question of

The second one is the Rajdhani Unnayan Kartipakkha (RAJUK) responsible for approval of building plans. There is also the Bangladesh Telegraph and Telephone Board (BTB). The Power Development Board (PDB) and the Dhaka Electricity Supply Authority (DESA) are there also.

Why do the mayors want to abolish the activities of the above institutions? It is necessary to understand the

of governance. **Abolition of activities of voluntary organisations**  
This part of the demand voiced by the mayors also appeared in the press. It is more difficult to understand this issue than the other issues. The world wide trend in developing countries is to seek partnership arrangements. The view taken by the mayors appears to run counter to this trend. If the voluntary organisations are trying to deliver services to the city dwellers,

improved at all. There are other issues as well for protection of corporation lands and/or enforcement of special laws for which city corporations are responsible but has to depend on relevant government functionaries such as the police and the magistracy over which they do not have any control.

**The best practice model**  
The editorial, while asking for constituting an independent commission to look into the issues raised by the mayors, also recommended that

new system will collapse if the government does not take immediate steps to restore confidence of Nazims and councilors as there are scores of problems yet to be redressed." This, therefore, cannot be the best practice model.

**Indian examples**  
Delhi has four bodies looking after municipal functions. These bodies are Municipal Corporation of Delhi, New Delhi Municipal Council, Delhi Cantonment Board, and Delhi Development Authority. According to one source, this has resulted in failure to address issues of urban governance. The central government's influence on the day to day affairs of the city, through legislation and the administrative set up has been criticised by many in India. The situation is more or less similar to that of Bangladesh.

**Kolkata Corporation**  
The current debate in Kolkata appears to be not so much about interference from the above (state government) but about its own underperformance. Kolkata Corporation has launched a foreign aided project called Capacity Building Programme (CBP) in 2002. The major objective is to enhance the standards of services to the city. It also aims at improving governance, organizational development and social inclusion. CBP seeks to address concerns that include lack of transparency in regulations and operating policies, urban poverty, human resource development and training, lack of inter-institutional coordination, weak decentralization and a need for reorganisation and capacity building of elected representatives.

**Should mayors claim for more power?**  
There is definitely a need for probing the state of urban governance in the cities as indeed the other municipal areas. However, the first step in this direction should be a soul-searching for the mayors to set their own houses in order and start more or less on the lines that Kolkata Corporation has followed. We should try and build up our own best practice model.

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## WORTH A LOOK

There is definitely a need for probing the state of urban governance in the cities as indeed the other municipal areas. However, the first step in this direction should be a soul-searching for the mayors to set their own houses in order and start more or less on the lines that Kolkata Corporation has followed. We should try and build up our own best practice model.

interpersonal relationship. What then would be the areas of institutional problems, which the mayor identified as interference. Does the ministry interfere too much into the affair of the city corporations? There are only a few major areas where the city corporations are dependent on the government. First, the approval of the budget. Second, implementation of projects under the annual development programme (ADP). Third, reporting and review of progress of implementation of development projects. Fourth, submission of audited accounts. It is not known in what way the ministry interferes in these areas. As long as the city corporations are dependent on government grants, the above areas are legitimate functions for the government. However, the mayors would know better, and it is desirable that more details are examined professionally.

**Abolition of activities of development authorities**

This part of the demand obviously relates to lack of control on the part of the mayors over the activities of development authorities such as the Water and Sewerage Authority (WASA), one in Dhaka and the other in Chittagong. Other cities are without any such entity at the moment.

rationale of the mayors' view in respect of the above issues. All of the above institutions are established by relevant acts of parliament. Each is a distinct juridical entity having defined areas of activities. Why should the mayors wish to gain control over them? Are the city corporations equipped to deliver the services that these organisations are delivering?

**Issues of urban governance and quality**

The mayors claimed that the reason why they wish to abolish the activities of the development institutions is to serve the city dwellers better than at present. As things stand now, there is widespread public perception of poor quality of services rendered both by the city corporations and the service delivery institutions referred to above. The immediate need is to achieve an acceptable quality of governance from all institutions rather than asking for more power by abolition of existing institutions. The answer lies not in abolition of centrally organised service delivery institution but by strengthening them, and this argument applies to city corporations also. They should, in the first place, improve the qual-

specially for the urban poor in areas like health, sanitation and education, there cannot be any earthly reason to stop their activities. In any event, if at all such a need is there, the demand should be articulated by the citizens or city-dwellers and not by the mayors acting in concert. On the face of it, the demand, if at all voiced by the mayors, deserves no attention because it would be counter-productive.

**Some genuine concerns**

The above analysis notwithstanding, there are some genuine concerns all of which center on total lack of coordination among the development or service delivery organizations referred to earlier. Absence of coordination hurts the citizens. This is most visible in the case of wanton road-digging exercises thoughtlessly undertaken by various organisations like WASA, PDB or DESA/DESCO and BTB. However, permission has to be obtained from the city corporation first. Why cannot a city corporation coordinate the whole thing in a manner that causes least hardship to the city-dwellers? This question needs to be addressed first. It is said that in the past, many coordinating committees were set up but the situation does not seem to have

the best practice model should be followed. Is there any best practice model in South Asia?

**The Karachi Municipal Corporation (KMC)**

KMC was abolished in August 2001. Prior to abolition, it functioned alongside other independent bodies like the Karachi Development Authority (KDA) and other government owned public utility bodies. KDA also was abolished. Both the organisations were merged with what is called city government that is responsible for managing the civic affairs of the city. The city government consists of 18 town committees and 178 union councils. However, the government has retained full control. Each tier, union council, the town committee and the city government is headed by a functionary called Nazim. The town and union level Nazims have been made responsible for development works in respective areas and Karachi (City) Nazim has been restrained from launching any development projects but at the same time has been asked to keep a vigil on them and their projects. Most of the taxes collected go to government treasury so that the Nazims do not have enough funds to undertake development works. Many fear that "the

# Just two words -- Shimla Mirchi



M.J. AKBAR

IT is of course entirely coincidental that Pakistan will soon join India in making an IMF alumna its Prime Minister. While reasons vary, this reflects, at least partly, a growing urge in the developing world to place men at the top who are honest, efficiency-driven, and committed to economic reform.

At the top, but not at the very top. The political class that has permitted them to rise has given them the responsibilities of office but denied them the privileges of political power. Both Shaikat Aziz, when he becomes PM, and Dr Manmohan Singh, who has already been sworn in, have bosses. One is the President of the country, and the other is president of a political party.

In Pakistan this works, because there is no confusion about the limits of democracy. Power in Islamabad grows out of the barrel of the Army gun, and therefore remains clearly in the grasp of President Pervez Musharraf and the corps commanders who keep him in the chair. If the Pakistan Prime Minister wants to set policy, he knows whose permission he must take.

Delhi is different. The Prime Minister is the fountainhead of power because he, or she, is in office by virtue of a popular mandate. But since the last general election threw up a complex jigsaw puzzle, Dr Singh got the job that should have gone to Mrs Sonia Gandhi. Ideally, a Prime Minister in India should be the first among equals in his Cabinet. But for some of his

senior colleagues, Dr Singh is less than equal. They believe that he is a transitional figure or even a figurehead, the winner of a lottery that he does not quite deserve. They do not accord him the courtesy, or accept the necessity, of consulting him. This has led to what could be the first gaffe of the new government.

Traditionally, the Prime Minister plays a much larger role in the exercise of foreign policy than he does over other departments not directly in his charge. The reason is obvious;

dialogue should be based on the Shimla pact, signed between Mrs Indira Gandhi and Zulfikar Ali Bhutto in 1972, which brought the 1971 war to a formal end.

The Shimla pact did end the war, but it did not initiate a peace. Many commentators have noted that Mrs Gandhi won the war against General Yahya Khan in 1971 with adroit skill, but lost the peace against Bhutto in 1972 with inexplicable feebleness. One prominent individual to hold such a view is Mr

still young after the bloodletting of the Second World War and the consequent collapse of colonialism. Pakistan seized on this mistake and has insisted that a UN-sponsored plebiscite is the only way out. India says that a plebiscite is now out of the question, since the Pakistan Army never vacated the territory it seized in the first war of 1947-48, and that a bilateral dialogue is the only way forward. Pakistan, conversely, has insisted on a reference to the United Nations Charter. So what

did he visit India for such negotiations after he had got the signature on the Accord, all his POWs back, and peace on the western front at a time when the Pakistan Army was in its worst shape? Naturally, not once. Instead, he rebuilt the strength of the Pakistan military services with much help from his nation's friends, and secretly initiated the nuclear programme that has enabled Pakistan to become a nuclear power.

The consequences of the Shimla Non-Agreement have been evident

there is hope outside the UN, and that a plebiscite is now a non-starter. This was not easy, for the idea of a plebiscite has been fundamental to Pakistan's Kashmir policy. It is a tribute to Mr Vajpayee that he managed to persuade President Musharraf to drop the demand for a plebiscite. The latter first tested such a radical change in his country's position a little before the Islamabad meeting, and has been carefully encouraging Pakistani public opinion to think out of the box.

There are many reasons to regret the failure of the Agra Summit. The most important one, from the Indian perspective, is that if the Agra Declaration had been signed it would have been the first time that Pakistan had inked a document without a single reference to the United Nations. It was, in that sense, a historic departure from past Pakistani positions.

There was no mention of the United Nations at Islamabad in January this year. By a kind of unspoken consent, both countries were moving away from the past that had held them back. Suddenly in June, Mr Natwar Singh has agreed to a reference to the UN Charter in a joint statement just because he wanted a wholly unnecessary mention of the Shimla Accord. The Pakistan delegation must have been laughing all the way back to Islamabad.

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Diplomats are meant to achieve win-win situations. This must go down as a classic lose-lose situation.

Does a change in terminology do substantive damage? It may not, but diplomats fight over every word only because it can.

Relations between India and Pakistan rest on such a fine balance that even a memory can tip the scales.

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## BYLINE

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foreign policy deals with state to state relations. Relations with Pakistan are particularly sensitive, and there has never been a Prime Minister who has not overseen this aspect of state policy. There are indications that Foreign Minister Natwar Singh chooses to keep his own counsel even on Pakistan policy. If he had consulted the Prime Minister's Office, the joint statement at the end of the foreign secretaries' conference in Delhi in June might have been formulated with more care. But Mr Natwar Singh believes he knows more than anyone else on his subject, and that he is accountable to his party president rather than his Prime Minister.

Mr Natwar Singh's motives were not very complex. He wanted to establish a new framework for the dialogue between India and Pakistan for three reasons. First, he wanted his personal signature on policy. Second, he is keen to suggest that the BJP's approach was inadequate, if not amateur. Third, he wanted to pay homage to the Nehru-Gandhi dynasty that has given him his present job. And so he brought into play the idea that the Indo-Pak

Natwar Singh's colleague in the new government, Mr J.N. Dixit, Foreign Secretary under Mr Narasimha Rao and National Security Adviser under Dr Singh. He might have warned Mr Singh about the quicksand at the centre of the Shimla pact.

Bhutto came to Shimla with nothing in his hand except perhaps a wild card or two. He was leader of a nation that had been physically divided and psychologically decimated. The Pakistan Army was shattered after the humiliating surrender to India, and nearly 100,000 of its personnel were prisoners of war. This was a strong view in India that there was a moment to resolve the status of Jammu and Kashmir through a treaty that Pakistan would have to honour.

Instead it was Bhutto who had reasons to smile after the Shimla pact. The positions of the two countries on Kashmir are too well known to need much reiteration. Jawaharlal Nehru went to the United Nations in 1947 in the hope that the UN would be an honest broker. It was partly out of idealism and faith in the newly-formed world body, and partly naïveté: the world was

happened at Shimla in 1972?

The reference to the United Nations Charter was retained in the pact: "That the principles and purposes of the Charter of the United Nations shall govern relations between the two countries." More important, the accord said that the clauses would be without prejudice to the recognised positions of either side pending a "final settlement of Jammu and Kashmir." This is unambiguous.

Pakistan agreed to respect the Line of Control in Jammu and Kashmir, but then so did India. This becomes a restrictive clause when any suggestion is made to cross the line to stop cross-border terrorism.

A post-accord theory was floated in Delhi that the Shimla Accord is tantamount to a final settlement on the basis of the Line of Control. Perhaps Mr Natwar Singh believes that. If so, all one can say is that he has not read the details of the Accord in a long long while.

Bhutto did agree at Shimla to find a peaceful solution to the Kashmir problem through negotiations. He was in power for five effective years after the Accord. How many times

in the last three decades: insurrections in Punjab and Jammu and Kashmir, Kargil, and a heavy price paid in blood. As for the talks, we are still talking about them.

Atal Behari Vajpayee made three attempts to break this blood-stained deadlock; in effect, to move beyond Shimla. His first, in Lahore, was sabotaged by Kargil. His second, at Agra, was destroyed at the last minute by either deliberate will or poor planning. The third, initiated in 2003, held the most promise because both India and Pakistan indicated that they had learnt from mistakes and still retained the will to carry the idea of peace forward. It was a work in progress when the Vajpayee government was defeated. The talks between the foreign secretaries were part of the structure constructed between Mr Vajpayee and President Musharraf during their historic meeting in Islamabad in January.

A quiet but consistent effort of Indian diplomacy has been to play down, if not entirely negate, any reference to the United Nations. This has not been easy, because it means convincing Pakistan that

## OPINION

# Why so much money for garment owners and so little for workers?

JONATHAN ROSE

TK 3,000 crore fund for the garment industry, Tk 20 crore fund for retrenched workers.

With such a stark difference, anyone interested in the garment industry has to ask, why so much money for owners and so little for workers?

BGMEA will argue that we should put all our efforts into saving the industry. They say that garment

workers suffer without jobs, and so we must fight to keep those jobs. We, of course, agree with this argument, and therefore work closely with BGMEA and others to promote growth in business and employment in the garment industry. It is true, lead-time is one of the prime challenges facing the sector, and that the central bonded warehouse (CBW) will create jobs in the garment industry. But is lead-time the only problem? Also, will a huge fund for bank loans save every garment factory?

The above enormous imbalance in government funding results from two things:

One, the lack of any worker representation on the national coordination committee, and two, a misunderstanding of the crisis.

First, when the National Coordination Council (the government body assigned to address the MFA crisis) was designed, the workers' cause was given absolutely no representation. Even the Ministry of Labour was not consulted during the process, much less a trade union

or NGO. To argue that this doesn't concern the workers is absurd because they have the most to lose. To argue that the BGMEA or Ministry of Commerce can adequately represent the workers is equally absurd.

Second, a deeper understanding of sourcing patterns in garments will show that a country doesn't just win or lose with MFA quota phase-out. Within the country, some businesses will prosper and others will die. This will occur due to increased competition, where the strong survive and the weak die out. In

industry, not all factories will be able to sustain a 15-30 per cent drop in price, simply from increased competition. In the USA, the price might drop even more because factories won't have to pay for the quota any more. On the other hand, buyers are consolidating their supply chains, preferring to buy from a few factories rather than many.

What does this mean for Bangladesh? There is no doubt that the Annular Huqs will do very well in the post-quota world, especially with a central bonded warehouse; but

many small factories who sell garments to agents who then sell to another agent who then sell to a retailer in the USA, many of these small factories will die out. They are numerous and can be seen all over such areas as Mirpur. Even with a drop in their lead-time from a central bonded warehouse (which won't be implemented until a long time after quotas are phased out), these factories will not be able to sustain a further 15 per cent drop in their price. In other words, no matter what steps are taken, there will be

many factories closing their doors in Bangladesh, and thousands of workers losing their jobs.

As illustrated in The Daily Star story of June 26 ("Job loss pushes them to suicide: Over 50 unemployed garment workers take their own lives in Gazipur"), loss of job is devastating for the workers. With at least some factories expected to close, action must be taken. Garment owners should respect the labour law and provide workers with notice time and compensation. The government,

along with owners and buyers, must ensure that workers do not fall through the cracks. We don't necessarily need to give less money to garment owners, but a serious programme must be designed to address this crisis from the workers' perspective. Otherwise, we might see the tragedies of Gazipur spread throughout Bangladesh.

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