

## Rich-poor gap cause for concern

Get the policy direction right

ONCE again the Bangladesh Bureau of Statistics (BBS) report has confirmed, if confirmation was ever required, that economic growth is not an index of national development and that unless distributive justice were ensured the hiatus between the rich and the poor would continue to widen.

The BBS report makes some interesting, albeit dismal, observations. For those who flaunt growth statistics and remain satisfied with the GDP figures must take lessons from the very valuable findings that have emerged from the Poverty Monitoring Survey Report, 2004.

Although our per capita income has recorded a rise of more than 17% over the years, the increase in our national wealth having been monopolised by a minuscule percentage of the rich has only improved the average notionally without meaning much in real terms. This reflects the lacunae in our planning matrix and implementation. The gap in household income is even more dismal. And in both the cases the poor, both rural and urban, have been left far behind in the development equation. The gap has been regrettably incremental, highly weighted against the poor.

This phenomenon is replicating a global trend where the gap between the richer and the poorer countries has taken a progressive leap, but at the national level its impact can only portend a social and political outburst whose consequences are imponderable. No society can ever expect to prosper in an environment of a rich-poor disparity caused by economic injustice, corruption, rent seeking and crony capitalism.

It will be well for our planners and policy makers to take the pointers that this report, as well as the experts, has provided, which identify the reasons for the continued increase of the rich-poor gap. The policy anomalies and structural problems must be addressed immediately. The jobless must be provided appropriate level of competence that would allow them to find employment in those sectors where employment opportunities remain untapped due to lack of skill of our workers.

Poverty reduction as envisaged in the PRSP will come to naught if income distribution in an egalitarian manner is not ensured.

## Students' wasted years

This national loss must be stopped

MANY students of Dhaka University, the highest seat of learning in the country, have reasons to feel frustrated over their academic life. The case in point is the fourth batch MBA course students who face an uncertain future because of non-publication of results of the final examinations they had taken as far back as in June 2004. That's also after finishing their five-year academic course in seven years.

As reported by Bangla daily Prothom Alo, there are several factors contributing to sessions jam -- admission procrastination, infrastructure limitations including sharing of facilities, dearth of teachers, teacher truancy, belated examinations followed by delayed publication of results and lack of coordination between different tiers of university administration. But the most significant factor of uncertainty is political turmoil spilling over to the campus resulting in unscheduled closures of universities. That the pressure to ease sessions jam impels certain departments to hurry through the examinations forcing the standards of education to fall is a glaring pointer to a deeper ailment.

Some departments do complete admission formalities early enough to minimise sessions jam. But the hard truth is that the students of private universities where courses are completed in due time have a clear edge over those of public universities like the DU. The former group of students can access job markets easily while the latter are delayed in taking up professional careers.

The problems are not new, probable solutions have been talked about, but nothing concrete has come about for a turn-around. First of all, we suggest a collective political will by all parties to extricate national politics from student politics. In fact, the student leaders need to assert a definitive academic commitment over demands of politics. Secondly, there has to be coordination between the academic and administrative apparatuses of the university. The teachers must reduce the propensity to overstay on training and academic programmes abroad. And finally, the university administration must be kept free of any external political influence or pressure.

## F-16s and related debates



M ABDUL HAFIZ

any induction of armaments into the region can only bring back the spectre of war clouds.

When the absence of any meaningful progress on even less contentious issues in Indo-Pak negotiations has raised question marks about the future of peace, the US offer of strategic aircraft both to India and Pakistan is bizarre and baffling. Is it then a quick fix, that the subcontinent's two arch-rivals obligingly resolve their differences so that the US can go about its oft-repeated objective of creating a strategic relation with India

Pakistan's nuclear weapons programme.

As a part of new strategy, Washington also announced plan for a "decisively broader strategic relationship with India." As part of the plan the US, has offered India F-18 aircrafts, with a license to manufacture them in India. It also offered to help New Delhi increase its missile defence and early warning system.

Therefore, there is no reason for New Delhi to worry about the US supplying F-16s to Pakistan -- because what the US is now offering,

where F-16s have no role.

Moreover, the bitter legacy of US refusal to supply Pakistan F-16s even when the aircrafts were paid for is still fresh in memory. Only a few months ago, some American officials had dismissed the F-16s even as an agenda item. Pakistan was even made to pay for the storage charges of the aircrafts the Pakistanis did not even touch. Therefore, the sudden volte face on the part of the Bush administration is indeed enigmatic. However, President Bush has also praised Paki-

stan of bringing about democracy in Pakistan, and seems in fact reconciled to its nuclearisation, provided it maintains due discipline with regard to its proliferation. Peace in South Asia is more a matter of expediency for the US, and the conditions prevailing there can be anything so long they are not inimical to US interests.

In any case, the motives behind the supply of a new arsenal to Pakistan by the US are out and out suspect. It may be trying to put India on notice that it ought not demand a high price for strategic partnership with the US on one hand, and at the same time be trying to please Pakistan for services rendered so far and the services that may be needed in future.

## PERSPECTIVES

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and its schemes of things in the region -- unhinged from Indo-Pak gridlock--unhindered?

From Pakistan's point of view, the most significant element in the new arrangement is the US decision to sell F-16s to Pakistan, which is a reversal of US policy dating back to 1990, when Washington blocked the sale of F-16s as a sanction against

India is far more substantial and strategic in content. What is more significant for India is Dr. Rice's remark that America wants to help India become a major world power in the 21st century. Apparently the mood is buoyant in New Delhi, and the US offer of F-16s to Pakistan is also a pleasant surprise for that country.

The baffled Pakistanis are at a loss to grasp to what purpose these aircrafts will be put at this belated stage, except satisfy the egos of the generals. The country has already crossed some of its crucial security hurdles, and all it needs at this stage is a massive nation-building effort, including human resources and socio-economic development,

stan for being a good partner in the global war on terror. Are they then the wage for Pakistan's meritorious role as frontline state? These aircrafts can be seen as a gesture to encourage the Pakistanis to continue to play the same role.

In the meantime, the Bush administration seems to have thrown to the winds all pretensions

Brig (retd) Hafiz is former DG of BIIS.

## Anti-Corruption Commission: A missed opportunity?

DR. IFTEKHARUZZAMAN

WHEN the Anti-Corruption Commission (ACC) was set up in November 2004, notwithstanding the reported controversies about the credibility of the commissioners and their selection process, TIB wanted to see it as an opportunity. We thought that it had marked an opening to meet public demand and expectation for a truly independent and effective institution to address the challenges of corruption.

It could also be viewed as a positive signal of a political will and commitment of the government against the menace of corruption, implications of which are already as disgraceful as unbearable. As a co-stakeholder, TIB also offered to extend all possible support and cooperation within its capacity, to which we are awaiting specific response from the commission, which we were promised.

We further expected that even within the limitations and

predicaments with which it came into being, the commission would possibly make best efforts to indicate at least a vision and a sense of direction.

However, if the past several months are any indicator for the future, the ACC has not only led to doubts about the seriousness of purpose on the part of the government, the commission has also created a credibility crisis of

government's financial and administrative control.

The commission has not delivered on any of its key strategic tasks, not to speak of articulation of a vision for itself and a policy to implement the same. Instead, it has created quite an image crisis thanks to controversial decisions such as absorbing all the staff of the erstwhile Bureau of Anti-Corruption

The fundamental objective of the Anti-Corruption Commission would be lost if that same manpower is absorbed wholesale. The law on the commission is also against this.

Differences of opinion among the commissioners on key issues, such as division of powers and responsibilities to the extent of a confrontational interpersonal relationship, also have

capability of the commissioners to rise up to the lofty task they have accepted. For properly running the affairs of the commission, it should without any further delay articulate its strategy and a set of practical policies for curbing corruption. No less pressing is the need to adopt its organisational structure, and clarify decision making process and

An independent, committed, and dynamic Anti-Corruption Commission that could work without fear or favour has been a longstanding dream and demand of the people of this country. Setting up of the commission is not an end in itself -- it is only an important step on a long and arduous road. True to the letter and spirit of its political commitment, the government must ensure the commission's full independence inclusive of financial powers, so that it can function effectively. Otherwise, the Anti-Corruption Commission could turn out to be another unnecessary, intolerable, and unacceptable burden for the nation.

Dr. Iftekharuzzaman is Executive Director, Transparency International Bangladesh.

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## The Centaur sell-off scam: Saying no to 'robberisation'

PRAFUL BIDWAI  
writes from New Delhi

and Auditor General of India (CAG) on the sale of Mumbai's Juhu Centaur, originally owned by an Air-India subsidiary.

The owner is Mr Ajit Kerkar, a former Tata director and promoter-owner of Tulip Hospitality. The Minister concerned is Mr Arun Shourie, an ardent advocate of privatisation, known for his U-turn from exposing business houses to becoming their apologist.

The CAG report is a scathing indictment of the procedure of selling the Centaur to a "strategic partner." It questions the assumption

This is not all. Because of "inadequate" scrutiny of the bidder's financial strength, the Ministry relaxed several conditions of sale. This "cannot be viewed as a good practice."

Even worse, "repeated extensions and relaxations were allowed." The process violated all market-based principles cited to justify privatisation of public sector undertakings (PSUs) -- including transparency and competition.

The CAG is equally critical of the way the Centaur's sister hotel, at Mumbai airport, was sold for Rs 83

not served the commission's cause. To make matters worse the chairman faces the challenge of convincing the court that his appointment was not unconstitutional.

In spite of all these, not everything may have been lost yet. What is urgently needed is a set of convincing evidences of commitment and

management policy.

The commission should open itself up to drawing from the expertise and experiences available within the country that are not difficult to find. It should also learn from some of the international best practices and tools in situations where such institutions have been successful.

The US is moving in that direction. Russia has carried the process the furthest.

By contrast, many Western European countries and Japan have been restrained and given professional autonomy to PSUs to modernise, acquire technology, and revive themselves.

The Anglo-American and Russian experiences have been disastrous. Public services have collapsed and their private replacements proved unaffordable. British rail, water, and medical services, once a source of pride, are in a ramshackle state -- and amongst Europe's most expensive.

But countries like France, Germany, Sweden and Japan, which have nurtured the public sector, have kept services going efficiently.

In India, we must be extremely cautious about privatisation. There is no case for privatising profitable, well-managed PSUs in the core sector. Loss-making units can be selectively divested in ways that don't produce monopolies and cartels. But we must not embrace the ideology that whatever's public is inefficient and whatever's private is good. Reforming PSUs, not privatisation, is the rational way forward.

Praful Bidwai is an eminent Indian columnist.

tions underlying privatisation. The first is that the hotel was making losses. In reality, it had been making profits until the privatisation decision in 1998! Ironically, its financial condition deteriorated after the disinvestment process started."

Secondly, says the CAG, there was no competitive bidding, but a "sweetheart" deal with a lone bidder. "[Competition] cannot be relied upon to emerge unless positive steps are taken to encourage bidders to come forward." The Disinvestment Ministry made "inadequate efforts" to mitigate risks in a limited-competition scenario.

The CAG's report should logically trigger a parliamentary inquiry and legal prosecution.

The Centaur sell-off scam confirms one's worst fears about the ideology and wisdom of privatisation. Perhaps its sleaziest aspect is the method most favoured by the BJP -- sale to a "strategic partner."

"Strategic" sales are so indistinguishable from racketeering in most countries that former World Bank chief economist Joseph Stiglitz calls them "robberisation." They also have especially harmful consequences for employees.

HLL has indulged in shameless "asset stripping." It has sold 8,000 square metres of land in Bangalore and is about to sell 20,000 more in Faridabad. It now claims that "there is no precondition regarding the sale of any of the assets of MFIL." Equity transfer to it was

nor sack any of the 2,037 workers. These conditions were thoroughly violated. According to the MFIL employees' union, the labour force has shrunk by about two-thirds. A majority of MFIL's 21 units lie closed. HLL isn't making bread, but outsourcing it to sweatshops.

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Besides evaluating India's sorry experience with privatisation, we must learn lessons from other countries too. India has so far divested Central-PSU equity equivalent to about 3-4 percent of GDP. Britain and Australia have divested more, including in railways, urban transport, water, and healthcare.

## OPINION

## The good, the bad and the ugly

OMAR KHASRU

THE title of the famous Clint Eastwood movie is perhaps appropriate to describe the Chittagong Mayoral election. The good is that the city corporation election was reasonably free, fair and nonviolent and, objectively and dispassionately speaking, you have to admit that the deserving candidate won. The bad is the panoply of empty pledges that both candidates made, knowing fully well that neither would be able to deliver. The bad was the slew of Ministers, Deputy And Assistant Ministers, and Ministerial ranking VIPs making a beeline, often in flag waving official vehicles, to campaign for the ruling party candidate. The ugly was the obscene amount of money spent by the two contenders.

The bad was the Prime Minister's son vainly invoking the memory of BNP said outcome as

his father. The two parties should realise that the mere mention or recollection of the name of Ziaur Rahman or Bangabandhu, as sacrosanct as it may be for many, just is not sufficient to garner votes for undeserving and loutish candidates. The ugly was the excessive dependence on Jamaat on the part of the 4-party alliance nominee and the unseemly involvement of Jamaat cadres.

It was interesting how the spin doctors of the two parties tried to interpret the election outcome for public consumption. Awami League claimed it was the victory of the people where as BNP said democracy was the ultimate winner, as if there is a contradiction between the two contentions. AL mentioned the debacle and defeat of the ruling coalition candidate implied people had lost all confidence in the government efficiently and effectively. The good is

that cooler head and good sense prevailed and he finally and duly acknowledged the Prime Minister's felicitation.

And in conclusion, the good is that it is a much needed and apt wake-up call for the ruling alliance. They cannot bask in the glory of the 2/3<sup>rd</sup> majority forever, taking the electorate for granted, and making willy-nilly, arbitrary, biased and questionable decisions, and self-aggrandising, pompous and pretentious assertions with concealed, complacent and devil may care smug attitude towards the will of the people and good of the country.

All in all, it was not too bad after all.

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hardly created any problem for Pakistan's industry or business and nor it did or does for Bangladesh.

Observance of a particular day as weekly holiday from point of view of any religion is too strong to be ignored. Sunday and Saturday are considered holy for prayer and supplication etc by the Christians and Jews and hence they observe these as holidays.

Now the question arises if the Christians and Jews could follow rigidly theirs, why can't we, the Muslims whose number is also considerable (one billion plus)? Likewise on religious ground we have also strong reasons to observe Friday as holiday. Among other things it helps one to better prepare for the Friday prayers, listen to Khutba (sermons of Khatib-- the learned person). Friday sermons are specially designed for the Muslims to properly guide their lives -- both mundane and spiritual. One may argue that Friday prayers can

also be said during the recess allowed when Friday is a working day. True it is. But the problem is that in that case, as the experience shows, that people would like to find excuses and pretexts to miss it. The other important thing is that while Friday is holiday, the children accompany their fathers, brothers, guardians to mosque for prayer and thereby prayer culture is instituted in them to make them better Muslims and a better persons. Further if Friday is observed as holiday in all the Muslim countries of the world then it will be shown as unity and strength of Muslim ummah.

When the then Pak-PM reverted to Sunday as weekly holiday, some people in Bangladesh became up and doing in pressing the government and the civil society to toe the Pakistani line. The then Awami League government deserves thanks for not yielding to the whim. And they did no wrong for as could be understood from the survey carried on then by an organisation called Democracy Watch with regard to observance of weekly holidays. The survey though was limited yet is indicative of the people's will to keep Friday as holiday. Last but not the least Farhat Ahmed says that the Pay Commission has recommended for allowing two days weekly holiday on Saturday and Sunday. And that perhaps also encouraged him to register his support to go for Friday as working day. Perhaps he is not aware that of late, the concerned authorities have reviewed their decision and recommended Friday and Saturday as weekly holidays in view of the merits that go with Friday as holiday. The issue with regard to Friday being the weekly holiday (as is in vogue now)