

Corruption, media and performance based budgeting

DR. ABDULLAH A. DEWAN

ON August 16, 2005 the government at long last asked the Anti-Corruption Commission (ACC) to revive the trial of 5,050 pending corruption cases. An ACC official lamented that the inordinate delay in receiving this and other directives, in spite of repeated reminders, not only stalled the 5,050 cases, but all activities of the ACC. As if this delay was not enough a commissioner boycotted the September 6 meeting of the ACC because the Chairman would not budge on further delaying tactics of screening officials and staffs in one sweep.

It appears that long before the ACC complete reviewing the 5,050 pending cases, most of the ACC officials will be retiring, and hence the current group of corrupt officials may breathe freely since their name will never be in the books before they themselves retire, die and go who knows where. All these are consistent with people's perception that the ACC is nothing but a government "show and tell" institution to do nothing or do little if necessary but at a snail's pace.

While speaking at Bangladesh Shipa Bank's "timely loan installment payments award ceremony" recently, the Finance Minister (FM) expressed his exasperation that authorities are not taking strong action against big loan defaulters who borrowed Tk 200-300 crore, on the other hand small entrepreneurs, if they default, are treated heavily. The FM on July 6 admitted that corruption has been engulfing "all the ministries, with the National Board of Revenue being among the top."

Isn't it unheard of that the government's most powerful minister is complaining about corruption not being dealt with in one of the sectors under his direct control (banking sector and the Bangladesh Bank)? When corruption impinges from political, bureaucratic and private sources, there is virtually no one left to be corrupted except those who have no scope for corruption. What can one expect from a government

In Bangladesh, some of the pro-poor growth infrastructure projects in various sectors which performed very poorly in the May 15, 2005 Poverty Monitoring Survey Report published by the Bangladesh Bureau of Statistics could be administered using the PBB strategies. When performance based budgeting approach in large public procurement works is integrated with media and civil society oversight, corruption is bound to diminish significantly.

(be it AL or BNP) when there are allegations (or perceptions) of corruption by the family members of the Prime Minister, the Finance Minister, and all other ministers and other big shots?

In a country where the bureaucrats and politicians engage in mutually serving underhand dealings, any notion of fighting malfeasance is simply a deception. Dealing with political corruption by the ACC is a daunting task. On one hand, the ruling party would not like its political functionaries including ministers and MPs to be investigated, and on the other hand, criminalising opposition parties would be regarded as politically directed personal vendetta.

Corruption and civil society

Transparency International's 2004 corruption perception index (CPI) of 1.5 may be debatable, but the pervasiveness of corruption is not. The CPI of 1.5 is estimated from a random survey of 3,000 Bangladesh households. This index when translated into GDP value implies that approximately 2 percent of 2003's GDP was devoured because of corruption in 25 service sectors. The per capita bribe was estimated at Tk 485 which added up to a staggering amount of Tk 68 billion a year. This is unpleasant arithmetic for the politicians of all stripes to digest. In fact, expressing his exasperation, the agricultural minister dismissed them as "imaginary and not based on hard facts."

Collecting hard facts about corruption would require TIB to interview corrupt politicians and public officials and ask them to disclose their day to day "takes" in an ostensible manner? How would TIB select which politicians and civil servants to interview? Maybe the

TIB should be accorded permission to interview the 5,050 corrupt officials whose cases are currently pending with the ACC. The carcinogen of corruption in our society will continue to proliferate unabated and all attempts by the ACC will be neutralised as long as the party in power sets its priority in election fund-raising than fighting corruption.

Although the CPI numbers are perceptions, one can, however, interpret them objectively into a body of economic predictions. For example, a country with a CPI score of 7 is 10 times more favourable to attract a dollar of foreign direct investment (FDI) per capita than a country with a CPI score of 6. For example, India with a CPI score of 2.8 is nearly 13 times more likely to succeed in attracting a dollar of FDI per capita than Bangladesh (with a CPI score of 1.5); Malaysia or Tunisia with a CPI score of 5.0 is nearly 36 times more likely than Bangladesh to attract a dollar of FDI per capita.

Corruption and free media

A successful anti-corruption program requires the oversight of government by investigative journalists and their unhindered access to public procurement works related documents. South Africa is one of the countries whose successful anti-corruption program was credited to its use of investigative print journalism. The program was implemented by training journalists who focused on the following topics:

- = Rights and responsibilities of journalists, including ethics training;
- = Detailed case studies on small and medium-sized news organisations involved in investigative reporting;
- = Resources needed to investigate

business and government;

- = The Promotion of Access to Information Act, including how to write a request for information and how to appeal and challenge denials;
- = Finding, cultivating and interviewing sources;
- = Anti-corruption laws and institutions, whistle blower hotlines, and businesses and NGOs that support the government's anti-corruption strategy.

Unfortunately, when a country's ruling party officials and politicians brand the media "enemy of the country" and political functionaries harass journalists with physical beating and often death, media's role as anti-corruption hawk is a long way to come. Only a corrupt and autocratic government would expect the media to be conformist. The media is supposed to be on guard against anti-people actions and activities of the ruling party. If a government seriously wants to fight corruption, the media and civil society such as TIB can be the most potent corruption hawks. Public procurement of civil works and infrastructure building (roads, bridges, culverts, etc) is an area where most grand corruption occurs. According to media reports and the TI survey many businesses reluctantly bribe officials out of fear that honesty and playing by the rule would only benefit their dishonest rivals.

On recommendations from TI and its Ecuador national chapter the government implemented a number of measures of which the two most important ones were:

- = No bribery pledge by the bid winning contractor; and
- = Disclosure by the contractor of all commissions and other payments in any way related to the contract. Violations of the pledges of

integrity would result in forfeiture of the contract, the contractor black-listed, and the losing bidders would have the legal right to claim damages from the winning bidder for their tender related costs and estimated loss of profit. Although these measures could not be mandated by law, all pre-qualified bidders voluntarily signed the pledges. The integrity pledge saved the government up to \$300 million on two large contracts budgeted to cost \$1 billion. The media were given access to all information without any censorship.

Performance based budgeting

In order to manage limited budget appropriations whilst minimising inefficiency, corruption and bureaucracy, Performance Based Budgeting (PBB) has recently become an essential tool to creating transparency and accountability in the oversight of government programs in many western fiscal operations. In simple terms, PBB is similar to a bank financing the construction of an office building or a house in which the funds are released in stages commensurate with completion of various phases of the project. Here again, transparency and accountability cannot be achieved without an open ended role of the media.

The strategy of PBB is based on the assumption that presenting performance information alongside budget appropriations will improve budget decision-making by focusing funding choices on program results. A performance based budgeting approach can be tailored to scale with existing operational infrastructure thus lowering costs and enabling organisations to:

- = Direct limited resources to be most critical and important out-



Paradoxically, Finance Minister M. Saifur Rahman has railed against both corruption and the media who expose it.

- = Set automatic appropriation cycles to provide accurate, timely information about financial and program performance.
 - = Proactively administering programs, while tracking and monitoring progress against projected and published objectives.
 - = Get clear insights and communicate critical issues and priorities relative to budget requests and the use of resources.
 - = Proactively identify and resolve burgeoning performance problems before they become critical.
 - = Focus and start where the needs are of immediate priority, with multiple points of entry, and realise immediate outcome.
- The US congress enacted the Government Performance and Results Act of 1993 (GPRA) to promote a focus on improving program performance and to provide greater accountability for

results within federal government agencies. At the state level, 31 out of 50 states (US) have legislated some form of PBB, and 16 additional states have formalized processes for integrating performance measures and data into the budgetary process. Only three states, Arkansas, Massachusetts, and New York do not have either type of mandate to conduct PBB. What constitutes performance varies to some extent from state to state. Only two states, Florida and Texas, provide specific verbiage related to corrective actions for noncompliance. The Texas 1996-1997 General Appropriations guidelines state that "if an agency fails to meet its goals, the Legislative Budget Board and the Governor may adopt a budget execution order, which may result in the reduction, elimination, restriction, or withholding of funding or transferability, in addition to possible reorganisation." Florida pre-

scribes a number of budget execution and management restrictions in the event of poor performance.

Recommendations

In Bangladesh, some of the pro-poor growth infrastructure projects in various sectors which performed very poorly in the May 15, 2005 Poverty Monitoring Survey Report published by the Bangladesh Bureau of Statistics could be administered using the PBB strategies. When performance based budgeting approach in large public procurement works is integrated with media and civil society oversight, corruption is bound to diminish significantly.

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Fundamentalism, terrorism, democracy and Islam

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SINCE the last decade of the last century and particularly since 9/11, professional and column writings on fundamentalism, terrorism, and Islam have increased manifold. The US 9/11 Commission Report has dealt with Islam as a faith and traced its history back to the early days. With 1.4 billion strong followers worldwide and increasing, Islam is a world religion. It is the second largest faith in Europe and North America. Therefore it cannot be ignored.

But Islam is a misunderstood religion: misunderstood by Muslims and non-Muslims alike. For this misunderstanding, practising Muslims are largely to be blamed, because they have failed in their primary responsibility to represent Islam.

Islam cannot be equated with fundamentalism. The origin and growth of fundamentalism has been described by the New Encyclopedia Britannica thus: "[A] conservative movement in American Protestantism arising out of the millenarian movement of the 19th century and emphasizing as fundamental to Christianity the literal interpretation and absolute inerrancy of the Scriptures. Fundamentalism came into its own in the early 20th century in opposition to the modernist tendencies in American religious and secular life. The roots of fundamentalism are found in the history of the American millenarian movement."

Certainly Islam has its own fundamental principles (which every religion has), and recognises the Bible to be a divine scripture (which in the last two millennia have been distorted beyond recognition), but the principles of Islam cannot be equated with Christianity (although there are similarities). In any event, and as its history suggests, fundamentalism is based on Christianity, and not on Islam. Islam is a very wide culture and flexible enough to accommodate new ideas, new thoughts, and new developments. It is therefore fundamentally wrong to equate Islam with fundamentalism.

Equally wrong is to equate Islam with extremism. Extremism means "being situated at the furthest possible point from the centre." Islam stands for moderation and recommends moderation and balance in belief, in worship, in conduct, in international relations, in war and peace. Muslims are by definition moderate. "You have been created as a moderate nation to be a witness for truth for mankind." (The Quran 2:143). In the long 23 years of the Prophet's prophetic life he followed the middle path: the path of moderation. He went for the soft option, if one was available. He brought far-reaching changes in the social, political, cultural, economic, and spiritual life of Arabia but those changes were brought gradually and constitutionally.

This is not to deny the existence of extremists in the name of Islam. There are. The July bombings in London and the August bombings in Bangladesh are recent examples. But extremists in the Muslim community are a very tiny minority and do not represent Islam. Any attempt, therefore, to equate Islam with extremism, and Islamists with extremists is wrong.



Demonstrating in favour of Islamic rule.

One example: There were 360 idols in the House of God, the K'aba. From day one of his prophethood, he had been preaching the oneness of God, and speaking uncompromisingly against those 360 false gods. His followers were prepared to do everything for him and for his cause. No sacrifice was too big. It was, therefore perfectly possible for him to organise a commando style attack on K'aba in an attempt to get rid of those gods. He was nowhere near that. On the contrary he prayed in the K'aba for long 13 years and waited for long 21 years -- until the conquest of Makkah -- when he, as head of the state, promulgated a decree to clear the House of God from false gods. Thus, finally, the cleansing was carried out constitutionally.

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There are fears that if "Political

Islam' dominates a country -- Bangladesh for example -- it would cease to be a democracy. People will lose their right to dissent. And a theocratic state would be established "based on medieval legal and social practices and jurisprudence of Islam of yore."

First, there is no such thing as "political Islam" and "spiritual Islam." Islam is a complete code of life: a guidance for humanity. The fundamental objective of an Islamic government is to secure political, economic, and social justice for its citizens. For example, under the present Bangladesh constitution, it is perfectly possible to transform Bangladesh into a modern welfare state based on the principles and values of Islam, and hardly any amendment would be necessary.

Therefore these fears are unfounded and may have been based on the examples of certain states which practice autocracy in the name of Islam. Second, separation of powers, independence of judiciary, constitutional guarantee for fundamental rights, freedom of speech, and above all, rule of law, are the corner stones of an Islamic constitution. Those are not mere slogans. Those principles were practised by the Caliphs of Islam. In

modern constitutions, the head of the state is normally given immunity from prosecution. But the rightly guided Caliphs did not enjoy such immunity.

The fourth Caliph Hazrat Ali (RA) appeared before a court of law in Medina and lost the suit for recovery of his shield from the defendant -- a native Christian -- because of insufficiency of evidence. Does it not conclusively prove the independence of the judiciary when the Chief Executive of a country lost his case for want of evidence in a proceedings in which he himself was a witness? Think of the Masdar Hossain case in Bangladesh: the Supreme Court's 19-point directions for separation of the judiciary has remained unimplemented for long six years despite its own supervision and proceedings for contempt of court.

The most important fundamental right is the right to life. Was the second Caliph Hazrat Umar (RA) not on record to say, when famine broke out in Arabia -- that if a child died on the bank of Euphrates for want of food, "I fear I may be held responsible before my Lord, the Almighty"? At dead of night was he not found to carry on his back food to the house of an old lady? Was he not

prevented by an ordinary citizen from delivering Friday sermon before he explained to the members of the public the source of availability of cloths for his long gown? Are these not supreme examples of transparency and accountability? Was it not in his time that because of fewer crimes on the street, the primary duty of the police force was to ensure that traders use proper scales for measurement and camels were not overloaded? 1400 years ago even animal rights were protected, yet today the world is witnessing the worst violations of human rights in Abu Gharib and Guantanamo Bay.

It is often said Islamists want "one man one vote for one time only." This allegation has no substance. Certainly there are certain differences between western democracy and Islamic democracy. Under the latter it would be beyond the powers of parliament to pass legislation to legalise single sex marriage, for example. But representative government is the basic feature of an Islamic democracy. No one has the right to lead unless he or she is an elected representative. During the time of the rightly guided Caliphs, democracy was not institutionalised, ballot boxes were not in use, but all four of them were elected through consultation.

It is said that Islam does not recognise the rights of women. The world knows very well that women got the right to vote in Germany in 1919, US 1920, UK 1928, France 1944, and Switzerland 1971. But in 7th century Arabia, women played an important role in the decision making process.

One incident was of highest constitutional importance. In a Friday sermon, the Second Caliph fixed the upper limit of the dowry, arguing that this would stop the abuse of the system. One woman from the back bench protested: "Omar! This is beyond your jurisdiction. What has not been fixed by God himself, you have no power to do so." Instantly Hazrat Umar accepted the protest and did not proceed any further. Without that lone protest by that woman -- (history did not record her name because she was not notable) -- the Caliph's word would have been the law of the land enforceable through law courts.

This single incident speaks volumes about the rights of women in Islam, freedom of speech, women's role in making legislations and state affairs and the executive's eagerness to uphold the principles of rule of law and constitutionalism. Critics may tend to dismiss incidents like these as trivial and representing only the generous minds of the rulers of the day, but these are the constitutional precedents which would bind all Islamic governments for all time to come.

Positive press for Bangladesh in America

Americans were shocked at the slow federal response to the catastrophe in New Orleans. The staggering cost of that inaction will equal or exceed the cost of waging wars in Afghanistan and Iraq in the last four years. Mr. Bush may have survived the foreign wars in Iraq and Afghanistan. But the "Third Gulf War" fought and lost on home turf, may finally do President Bush in.

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BANGLADESH has been the beneficiary of some positive press in America in the last few days. Bangladesh government's donation of 1 million dollars for the Katrina victims has been well received and well publicised in the media here. No one expects Bangladesh aid to significantly mitigate the suffering of the Katrina victims. It is the thought that counts. As with the Mississippi flood victims of 1993, America has once again learnt that when America suffers, Bangladesh offers a helping hand.

In his September 13 column about the upcoming UN summit in New York, The New York Times columnist Nicholas Kristof wrote: "This UN summit is meant to review the millennium development goals, such as cutting child deaths around the world by two-thirds by 2015. All the goals, adopted with great fanfare five years ago, are feasible, and some countries -- from Bangladesh to Indonesia, Brazil to Mongolia -- are on track to meet them. Hats off to them. But most of the world appears likely to miss the goals."

"Two countries that should be the leaders of the developing world, China and India, are both off track and should be ashamed of their records. In India, among children 1 to 5, girls are 50 percent more likely to die than boys, meaning that each year 130,000 Indian girls are discriminated to death.

"Bangladesh has now overtaken India in improving child mortality, and Vietnam has overtaken China. If India had matched Bangladesh's rate of reduction in child mortality over the last decade, according to the UNDP, it would have saved 732,000 children's lives this year."

It was good to see journalists saying something positive about Bangladesh for a change.

However, old habits die hard. In a front page article on September 3, The New York Times reported on the lawlessness, looting and rapes in New Orleans in the aftermath of Katrina. In the report, a Harvard emeritus professor was quoted as saying: "It really makes us look very much like Bangladesh or Baghdad." Reminding the professor that Baghdad had never seen the kind of anarchy that exists there today before the US invasion, the writer fired off the following letter to him.

"We do not really understand what prompted you to compare the flood-related lawlessness in New Orleans with Bangladesh. Here are

the facts. Bangladesh has become a model of how to deal with floods. I was in Bangladesh last summer when a significant portion of the nation was under water. However, not a single case of rape, looting, or other manifestation of lawlessness was reported. On the contrary, the world was amazed at Bangladesh's resiliency -- the economic recovery was prompt and complete. That last December's tsunami had little effect on Bangladesh is no accident. Bangladesh has developed an excellent early warning system. Bangladesh's early warning model is being emulated by other nations.

"The phenomenon of micro-credit originated from Bangladesh and is the brainchild of Dr. Muhammad Yunus. It has been adopted in several countries of the world and some states in the US, including Arkansas under then Governor Bill Clinton. Bangladesh, a democracy, is also known for women's empowerment. For the last 15 years, both the nation's Prime Minister and the leader of the opposition have been women! Khaleda Zia was the nation's Prime Minister between 1991-1996 and again from 2001 to 1999 when Sheikh Hasina was the leader of the opposition), and Sheikh Hasina was the Prime Minister between 1996-2001, when Khaleda Zia was the leader of the opposition. I do not know of another country in the world, including the US, which can boast of having women both as the Prime Minister and the leader of the opposition at the same time for fifteen years.

"Bangladesh is not a banana republic. Bangladeshis are not dumb; on the contrary, they are artistic and highly sophisticated. Bangladesh is developing at a breathtaking pace. Every time I visit Bangladesh I am amazed at how much it has developed into a modern state. Yet, whenever people grope for a bad example of a nation, they look no further than Bangladesh, without really ascertaining the facts about Bangladesh.

"I hope the above facts will remove your misconceptions about Bangladesh. I hope you will visit Bangladesh someday. By the way, Bangladesh had sent tons of tea to the Mississippi flood victims in 1993, a gesture that was deeply appreciated by the governors and the citizens of the Mid-western states. I am sure that in its typical generous way, Bangladesh will also come to the aid of the Katrina victims of Mississippi and Louisiana."

I was delighted to see that Bangladeshi government did exactly that.

Things are not going well for President Bush. The Bush family is 1-2 in Gulf Wars. The first Bush won the first one against Iraq in 1991, and everyone now agrees that the second Bush has lost the second one against Iraq, and that the second Bush has taken a beating in the Gulf of Mexico-generated Katrina. Mr. Bush's performance in the aftermath of Katrina has been dismal. First, he flew over the devastated area without landing. He did not visit the devastated area until four days after the hurricane, when New Orleans was lost to flood and the damage was done. Then too, he was tone deaf, stopping first at the damaged house of the former Republican Senate Majority Leader Trent Lott in Mississippi and saying that when it is rebuilt he will sit on the porch. He inexplicably complimented Michael Brown, the incompetent nincompoop he put in charge of the Federal Emergency Management Agency (FEMA): "Brownie is doing a heck of a job!"

Gloves are off for Mr. Bush. Today a letter published in our local newspaper called the president "a disgrace to the nation." Perception is taking root that Mr. Bush is incompetent. People are angry, not only because Mr. Bush lied to the nation about the reason for invading Iraq, but also because with 1,900 American soldiers dead and thousands more maimed for life, Mr. Bush has made of mess in Iraq with no end in sight. Stabilisation of gasoline prices was another rationale for invading Iraq. At over \$3 a gallon, gasoline prices have more than doubled since before the Iraq invasion. Although increasing demand by China and India has a lot to do with higher gasoline prices, people blame Mr. Bush's policies. Higher gasoline prices hurt every American.

This is bad news for Mr. Bush, because nothing upsets Americans more than higher gasoline prices. Americans were shocked at the slow federal response to the catastrophe in New Orleans. The staggering cost of that inaction -- estimated damages run over 200 billion dollars -- will equal or exceed the cost of waging wars in Afghanistan and Iraq in the last four years. Mr. Bush may have survived the foreign wars in Iraq and Afghanistan. But the "Third Gulf War" fought and lost on home turf, may finally do President Bush in.