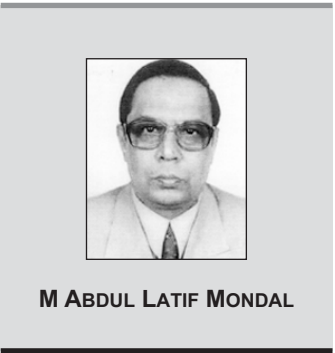


INTERNATIONAL ANTI-CORRUPTION DAY
Bangladesh is yet to sign the UNCAC



DECEMBER 9 is International Anti-Corruption Day. The creation of an Anti-Corruption Day by the United Nations is in large part a result of the international lobbying efforts by Transparency International (TI), a global civil society organisation, to recognise worldwide anti-graft initiatives and to end the devastating impact of corruption on all aspects of the societies around the world. International Anti-Corruption Day will be observed by the governments of the countries which have so far signed or ratified the UN Convention Against Corruption (UNCAC). Besides, the local chapters of the TI in different countries will observe the day by holding rallies, seminars, etc. Bangladesh is yet to sign the aforesaid UNCAC. Although there may not be observance of the day at the state level, it is expected that the two-year old Anti-Corruption Commission (ACC), which is yet to be fully effective, will make some arrangement for the observance of

BARE FACTS
Because of the unbridled corruption, Bangladesh was ranked by the TI as the most corrupt country in the world for five consecutive years beginning from 2001. In 2006, Bangladesh has occupied the third position in the list of the most corrupt nations. This means that there has practically been no change in our position. Bangladesh has not signed the UNCAC as yet. TIB and some other analysts are of the opinion that the signing of the Convention by Bangladesh would bring her benefits.

the day to raise the people's awareness of corruption, which it is mandated to do under section 17 of the Anti-Corruption Commission Act, 2004. It is, however, known that Transparency International Bangladesh (TIB), the local chapter of the TI, will observe the day by holding seminar, etc.
By resolution 58/4 of 2003, the General Assembly of the United Nations (UNGA) designated December 9 as International Anti-Corruption Day. This decision was taken to raise awareness of corruption and emphasise the coordinating role of the UN in combating and preventing it. The UNGA urged all states and competent regional economic integration organisations to sign and ratify the UNCAC as soon as possible in order to ensure its rapid entry into force.
As per its in-built provision, the UNCAC entered into force from December 2005 following its ratification by 30 member states. Available information suggests that till date 140 countries have

signed the Convention and 67 countries have ratified it. The Convention is the first legally binding instrument on corruption and a comprehensive document that includes measures on prevention, criminalisation and international cooperation. The Convention has thus provided a unique opportunity to mount a global response to a global problem.
It hardly needs reiteration that the societies which have massive corruption suffer misery in a thousand ways. Both developing and developed countries suffer from this ignoble vice of corruption although corruption is rampant in most of the developing countries. Corruption in developed countries is sophisticated in nature and the common people normally cannot feel it. Corruption adversely affects a country politically, economically, administratively or otherwise.
Many political scientists are of the opinion that corruption in a country undermines the legitimacy

of its political institutions and thus the government is less able to rely on the cooperation and support of the people. Consequently, the government is compelled to resort to force and coercive tactics to maintain order against the rising violence. Many of the military takeovers in Asia, Africa and Latin America have been justified by the need to stamp out corruption.
Corruption leads to economic inefficiency and wastage because of its effects on the allocation of funds, on consumption and on production. Available data show that every year, over \$1 trillion is paid in bribes with devastating consequences, particularly in developing countries. Gains obtained through corruption are unlikely to be transferred to the investment sector. Ill-gotten money is either used up in conspicuous consumption or is transferred to foreign bank accounts. Such transfers represent a capital leakage to the domestic economy. Further, corruption discourages

foreign direct investment (FDI) which is needed by a developing country.
Many analysts hold the opinion that corruption in developing countries generates administrative inefficiency and ineffectiveness at all levels of public administration. Recruitment of inept and incompetent individuals to various posts of civil service through nepotism and favouritism results in the lowering of productivity in public administration.
Let us now have a look at the Bangladesh situation. Corruption has seriously affected Bangladesh politically, economically, administratively or otherwise since her independence in 1971.
Immediately after independence, the rampant corruption worsening law and order situation and price hike of essential commodities led to the replacement of the multi-party parliamentary democracy with a one-party dictatorial presidential form of government in January, 1975. All these

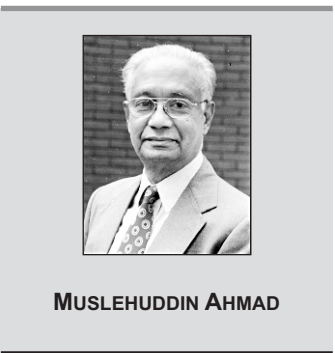
negative developments coupled with intrigues within the ruling party led to the assassination of the founding father of the nation and president Sheikh Mujibur Rahman on August 15, 1975. For the next 15 years, the country saw various dictatorial military and presidential regimes which justified taking over power to stamp out corruption. The country reintroduced parliamentary democracy in 1991. But the corrupt practices and confrontational politics of the two major political parties, the BNP and the AL, which ruled the country in succession for the last fifteen years, have created an unhealthy situation for the growth of the nascent democracy in general and parliamentary democracy in particular.
Corruption has eaten into the vitals of the economy. It has affected macro-level planning such as inclusion of development projects in the ADP, implementation of the ADP and non-ADP projects and inflow of desired FDI. Procurement of goods, local and foreign, for implementation of development activities in the public sector, has been the meeting point of the vested interest groups composed of corrupt political masters, senior bureaucrats and suppliers/contractors.
Admittedly, the GDP growth rate in the recent years has been reasonably satisfactory, but the highly unequal income distribution remains a pressing problem. Report of the Poverty Monitoring

Survey-2004 published by Bangladesh Bureau of Statistics (BBS) shows that the income of the poor household reduced in 2004 from 1999. On the other hand, for the non-poor households it increased by 13.8 percent during 1999 to 2004. Poverty Reduction Strategy Paper (PRSP) 2005 shows that 49.8 percent people of the country remained below the poverty line in 2000. Corruption has been identified as one of the important factors for the unequal distribution of income in the society.
Because of the unbridled corruption, Bangladesh was ranked by the TI as the most corrupt country in the world for five consecutive years beginning from 2001. In 2006, Bangladesh has occupied the third position in the list of the most corrupt nations. This means that there has practically been no change in our position.
As stated earlier, Bangladesh has not signed the UNCAC as yet. TIB and some other analysts are of the opinion that the signing of the Convention by Bangladesh would bring her, inter alia, the following benefits:
● By becoming a State Party to the Convention, Bangladesh will send a strong signal nationally and internationally about its recognition of importance of addressing corruption with a comprehensive framework and through coordination of national efforts with international com-

munity.
● By signing the Convention, Bangladesh will ensure for herself access to an extensive range of ways, means and standards for preventive measures for public sector and private sector corruption.
● The signing of the Convention will give Bangladesh access to a comprehensive international cooperation framework for mutual law enforcement assistance, notably extradition and investigations.
● By signing the Convention, Bangladesh will give greater recognition to the role of civil society and citizens at large in fighting corruption.
● The signing of the Convention will speak for the strong commitment of the government to combat corruption.
To conclude, available information reveals that among the South Asian and Southeast Asian countries namely Bhutan, India, Myanmar, Cambodia, Pakistan, Nepal and Sri Lanka, only Bangladesh is yet to sign the UNCAC. The next elected government should not only take a positive stand to sign the Convention, but also take all other necessary steps, including strengthening the ACC, to drastically reduce corruption in the country. That will considerably help regain the country's lost image both at home and abroad.

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Turn around in US policy may end violence in Iraq



DONALD Rumsfeld, US Defense Secretary, a well-known Princeton Wrestler in his university days, finally resigned but it was too late. Damage was already done. Saddam's Iraq was undoubtedly peaceful though occasionally went through some deliberate killing of people who criticised or opposed Saddam's rule, often with the material support of chemicals and anthrax from the United States. Rumsfeld's visit to Iraq and meeting with Saddam Hussein in December 1983, and with Tariq Aziz on March 24, '84, the very day the UN released its report on Iraq's use of gas against Iranian troops, was believed to be linked to supply of chemicals and anthrax. There was a report that "the United States shipped seven strains of anthrax to Iraq from 1978 to 1988" [New York Times -- Nociolas Kristof]. "Chemical weapons from

SPOTLIGHT ON MIDDLE EAST
Baker report called for 'new approach and urgent action to stop slide towards chaos' and recommended gradual withdrawal without specifying any time table and ultimately leaving some troops for training purposes. The recommendations are positive but would not end insurgency on the ground unless the negotiations are initiated immediately and specific time table is given for troop withdrawal. The present demand of majority Americans is honourable exit and most Iraqis also want American exit i.e. end of occupation.

the United States were not just unleashed on those for whom they were meant; it is at least one disastrous instance during the 1991 Gulf War, over 100,000 American soldiers were exposed to Sarin nerve gas..."
Therefore, the US had the count of the quantity of gas and anthrax it reportedly supplied to Saddam and this is why General Colin Powell was so sure about some quantity of Anthrax still left in Iraq when he addressed the UN on the issue with an Anthrax tube in hand. When Saddam is being sent to gallows for gassing Iraqi Kurds, what happens to those who supplied the gas?
Earlier the US supplied chemicals and gas to Iraq, but this time it was Bush's "democracy". For Iraqis it was more deadly as it affected the entire population. Bush's "democracy" imposed on Iraqis following the invasion onslaught has devastated Iraq. Full scale civil war has

been unfolding with terrible deaths and destructions. "We hope they kill one another" said Kissinger during Iran-Iraq war. The same spirit is working. Even Kofi Annan, UN SG, said very bluntly as he is now leaving his post that "Iraq violence is worse than civil war". Colin Powell also expressed the view that there is civil war in Iraq.
The governments set up earlier through unprecedented election with Jaffari and presently with Noori-al-Maliki have failed to govern Iraq. The number of American troops killed in Iraq has reached 2890, but some say it has already surpassed 3000. Moreover, American administration is not quite forthcoming with the troops wounded and died later. Over the first week-end this month 10 American troops were killed making the average of 3 per day in December, 06. Just in the last week of November 06, Iraq witnessed the worst killing of some 220 Iraqis in

one day by Iraqis, the mainly in Sadre City, a Shia town, and some in Baghdad. This happened after Saddam was hurriedly convicted in a bizarre way by a set-up court to die by hanging for killing several hundred innocent Iraqis. Further trial on the issue of genocide is progressing so that Saddam could be killed many times over. Now who should be hanged for the present state of affairs in Iraq -- a relatively peaceful country turned into a bastion of civil war with consequent deaths and destructions? Probably none, as this is an unjust world, only might is right and not the other way round.
The devastations in Iraq, however, provided good opportunity to the Democrats. They took control of both the Houses of the Congress. It was a total defeat for President Bush and his party -- an ominous sign for 2008 presidential election. Of course with meaningful changes in Iraq the Democrats may be able

to establish a democratic government of some sort there if they work with the open mind and negotiate with the resistance fighters, both Sunnies and Shias like Sadre group, which is the only way left now.
President Bush said - Iraq remained "the central front in this war of terrorism". Iraq was not at all a terrorist country as Saddam had no connection with Al-Qaeda. According to Osama bin Laden Saddam was an infidel. Iraq had no role in 9/11. So this "central front" was the creation of Bush Administration. Now American people have spoken. Senator Levin who is expected to be the Chairman of Senate's Arms Control Committee earlier said, "The people spoke dramatically, overwhelmingly, resoundingly to change course in Iraq" and hence the present initiative from the Democrats. President Bush has already started

to give in; he said he is 'open to changes in Iraq'.
The country is in the midst of a civil war and enmity between the sects is at an extreme point. This government and the Iraqi security forces composed mainly of Shias do not have any control over the Resistance Fighters. Therefore, any attempt by the Bush administration to train and equip the present Shia dominated security forces would be counter productive as they cannot deliver anything. In fact, this will make sectarian violence worse as the Shia dominated forces would continue to kill Sunnies. The political problem has to be sorted out first ie the resistance forces are to be taken on board through negotiations and then the security forces with balanced representation from all sects can be trained for the purpose of country's security work. Any other attempt will neither help the security situation nor the political reconciliation.
However, the American administration must understand that the only common agenda that these sects have is to fight the occupation. America must end occupation in an honourable way and build up a balanced coalition government in Iraq. It would be important to involve Iran and Syria in the dialogue, but that would not be enough to find a solution to this complex problem -- civil war, full blown resistance against occupation, shattered

economy etc. The situation is too dangerous. It's not only the Iraqis, the American lives are also being sacrificed in huge numbers. This must stop and stop without any further delay.
The New America under the Democrats' control of both the houses of the Congress must seek the help of the UN and the UN peace keeping force must be deployed to gradually replace the American and coalition forces. This should by no means be seen as 'cut and run'. The direct help of Arab League and the OIC would be necessary in the process and a government acceptable to all Iraqis, a difficult job no doubt, would produce the desired result. Indeed, such a step may keep Iraq in one piece that is expected to be friendly to America.
Baker report that came out on the 6th night called for 'new approach and urgent action to stop slide towards chaos' and recommended gradual withdrawal without specifying any time table and ultimately leaving some troops for training purposes. The recommendations are positive but would not end insurgency on the ground unless the negotiations are initiated immediately and specific time table is given for troop withdrawal. The present demand of majority Americans is honourable exit and most Iraqis also want American exit i.e. end of occupation. Therefore, more immediate and urgent steps are called for and

therefore consideration may be given to the following:
(a) America should declare withdrawal of coalition forces from Iraq as soon as UN can put up, say, 30/ 50,000 soldiers. The very declaration that US would be withdrawing may bring down the violence hopefully to half.
(b) The full UN forces must be on the ground in Iraq by, say, September, 2007.
(c) The UN forces should be assembled from countries in the Middle East friendly to Iraq and from other countries like Indonesia, Malaysia, Bangladesh, India etc, no hostile forces to be deployed.
(d) The present Iraqi government to resign and a unity government to be formed by the UN with the help of the Arab League and the OIC in consultation/negotiation with the credible leaders of Shia, Sunni and Kurd tribes and with appropriate sectarian representations.
(e) Iran and Syria which have their own national interests in the conflict are to be involved fully in the consultation/negotiation as they are the important neighbours.
(f) Iraqi forces with balanced sectarian representations can be trained by the UN forces for taking gradual security control of the country from the UN forces.

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Vietnam calling

MUNIM KUMAR BARAI
I left Bangladesh for Hanoi to conduct a research study on the linkage between agriculture, trade and poverty reduction in Vietnam on October 28, not an auspicious day many would now believe. I dared to fix that day for flying with the faint hope that nothing would happen. My flight was at 1.10 p.m. but, as a precaution, I started for the airport at 8.45 a.m. From my Mirpur residence to the Bijoy Sarani the road was nearly empty of motor vehicles, and not many rich-shaws were there. Most of the people who were on the streets, many of whom were walking, looked a bit tense. That was understandable.
I was lucky to get a cab driver willing to drive me to the airport. Things went smoothly and we reached the airport within eighteen minutes.
The airport was, unusually, not crowded. The good news of the day was that the former chief justice, who was at the centre of the storm for quite sometime, had declined to head the caretaker government. Though it was thought to be a bright beginning, a move in the right direction for the nation at the right time, but who knew that something more cynical, a major betrayal, was waiting for the country in the evening.
I am here not to tell the countrymen about the suffering they have been since then in. When I was flying I had the guilty feeling that I was fleeing the country. On the way to Hanoi it was a smooth journey. You know that on that very day the Suvarnabhumi Airport, biggest in Southeast Asia, was opened in Bangkok for air traffic, to

replace the ageing Don Muang airport. It is actually in the nearby Samut Prakan province, about 25km to the east of Bangkok. Suvarnabhumi was named by King Bhumbol Adulyadej and means "the golden land" in Thai, although it's English spelling is certain to lead to mispronunciation by visitors as it is actually pronounced like 'su-wan-na-poom'.
The old Don Muang airport had three terminals. Suvarnabhumi has only one (very large) that handles all international and domestic flights. The size and the facilities are simply amazing. As a first day transit passenger it was also a bit confusing to me. The level of English of the guides at the airport was terribly bad, their Thai and English seemed nearly equal to me. However, look at the size of the terminal building -- 563,000sqm, which is the second largest in the world. It is not hard to imagine that the final bill for Suvarnabhumi stands at over \$3 billion. On the same day in morning I saw Dhaka, and at noon Bangkok. Fighting for power is also there in Bangkok. But in our execution we are so violent, so destructive -- no thought about the future, progress and destination.
I am yet to know much about Hanoi but it seems to be a much better city than the impression I was carrying in my mind. The places I have visited are more planned. Not many high-rises are there, but many are coming up. In the newer parts of the city, roads are wide and less populated. They look cleaner, though the ongoing APEC Summit may have a role in this. However, at the moment, Hanoi seems to be a city under change -- lots

of construction work is on, buildings with signboards of multinational companies are everywhere. I got my mobile phone within 10 minutes of asking for it. I got my bank account opened without any deposit or any introducer, just the photocopy of some pages of passport and visa was enough.
Once, I asked my researcher in the Institute of World Economics and Politics (IWEP) how careful I should be in the streets, or in my residence, or from goons or law breakers. She assured me that I did not have to suffer from such fears -- law and order condition in Hanoi, or for that matter in Vietnam, is very good. I have not faced, so far, any trouble that I could report. In economics, these are the basics of development. Vietnam will go much ahead of us (already it has) within a very short time.
Food stuffs are cheaper than in Bangladesh. Cost of transportation is reasonable, but for communication it is definitely higher than Bangladesh. I believe that there is a decision to lower the cost overnight. But you cannot change the mental make-up of people of the country overnight, as this is considered to be a process and not an event. Neither can you do away,

overnight, with the laws that have been piled up over a century.
But Vietnam's recent past was not that good. Vietnam doubled its gross domestic product (GDP) between 1991 and 2000. While the economy grew at the rate of 4.6 percent between 1980 and 1990, the growth rate accelerated to reach 7.5 during the period 1990-2003. (World Bank, WDI 2005). In 2005, it grew at an annual rate of 8.2 percent faster than its five-year average.
An analysis of Vietnam's output structure shows that in 2003 almost 38 percent of its total output came from services, more than 40 percent from industry and manufacturing and about 22 percent from agriculture. In 1990, the figures for these sectors were 38 percent, 23 percent and 39 percent, respectively. The figures for agriculture's share of GDP show a 17 percent decline over the period of 1990 to 2003 (World Bank, WDI 2005). Vietnam progressed from a nation of chronic food shortages to one of the world's leading exporters of agricultural and other products in the 1990s.
How much of this economic progress is explained by socialist political economy, or by Vietnam's own LG

process called the doi moi reforms? As we know doi moi that began in 1989 consisted of two successive reforms: the allocation of the means of production (especially land) to individual households, followed by economic liberalisation and the opening to external markets. While implementing doi moi reforms, the Vietnamese government did not completely abandon its policy on both agriculture and poverty. Thus the questions are: Did Vietnam's economic progress begin because of doi moi? Or did it happen as a linear extension of the socialist policy measures? Or have both of them complemented each other in the economic progress?
For Bangladesh we also find that it started its own LG process in 1982. Though the initial pace of liberalisation was slow, it gained momentum in the 1990s. We have taken a lot of measures since then to open up our economy by trading off most of the state political economy, with market mechanism to take care of them. The objectives of such a reorientation of economic policy were to attain growth and reduce poverty by making the private sector the mainstay of the economic policy strategy. Such changes in policies resulted

in mild to moderate increase in economic growth in Bangladesh. Between 1980 and 1990, economy grew at the rate of 3.7 percent, while growth rate reached 4.9 percent during the period 1990-2003. (World Bank, WDI 2005). Though growth has reached a higher level in last two years, and is projected to do better in the current year, it is yet to cross the 7 percent barrier. We also find that the average annual agricultural growth increased to 3.1 percent from 2.1 percent between 1980 and 1990.

poverty line is very high (35.6 percent and 6.6 percent in 2002). The proportion of the poor population has further fallen to 20 percent in 2004 year. (The Economist, 2005).
The picture of poverty in Bangladesh is still disappointing, showing not much improvement in the recent past. In 1991, a total of 47.5 percent in Bangladesh lived below the poverty margin. At that time rural poverty was slightly higher than urban poverty, 47.6 percent and 46.7 percent, respectively. In 1999, 45.6 percent were living below the poverty line, which declined to 40.1 percent in 2004.
Vietnam has emerged as a star performer in trade itself. It is one of the members of the rare league of countries which have aggregate trade amounts larger than their total GDP. With a population of 84 million, its GDP figure is close to that of Bangladesh's. As the readers might be knowing, Vietnam has become the 150th member of the WTO, the pertinent issue would be to see the likely impact, on its trade and poverty, of this accession. So far agriculture has remained the most protected sector in Vietnam. This could be well understood from the fact that in 2004, while the tariff binding coverage for all goods was 16.8 percent, for agricultural goods it was 24.5 percent.
As Vietnam joins the WTO and signs the Agreement on Agriculture (AoA), it will have to bring down its tariff and non-tariff barriers on agricultural trade to harmonise them with the agreed level within a specified time. Secondly, it will have to reduce agricultural subsidy to zero level by 2013. This may affect Vietnam's agricultural trade positively or negatively, and may have an impact on the poverty posi-

tion. Experience in Bangladesh shows a steady rise in prices of most of the agricultural commodities since it became the member of WTO in 1995.
Few days back I had a courtesy meeting with our Ambassador in Hanoi. He is a very nice gentleman. We covered a wide range of issues in our discussion. He told me something important about Vietnam. "Look I am seeing the developments here for more than two years. After 10 years Vietnam will be at par with S. Korea," he said. I had nothing to agree or disagree with him as I have not seen Korea yet. He went further, "Vietnam has a better prospect than Malaysia." He did not explain the reason. I played the role of an avid listener.
Fact is, the whole of East and South East Asia is marching ahead very quickly. In the race we have been falling far behind of them in every passing year. But the irony is, Korea was not a match for us even in the 1950s, forget about Malaysia. Now you see the difference. Soon after the liberation, we wanted to model ourselves after Korea. When Korea seemed too high a goal to follow then we started talking about Malaysia. One of our generals turned president once talked about modelling Bangladesh after Indonesia. I hope we will not have a day to hear about the Myanmar model for our development. Who knows? But at the moment it is Vietnam calling.

The author, an Associate Professor of the School of Business, University of Liberal Arts Bangladesh, is in Hanoi for research under an ASF Fellowship Programme.