

Pursue solutions not a witch-hunt

We need the government and the predictably of law, to protect businesses not from competition but from theft, forgery, corruption, and from the business exclusivity of the few who benefit richly from government mantras and complex regulations. Government's role is unquestionably overstretched and it must be limited to the basics for a thriving democracy and a flourishing economy.

NIZAM AHMAD

WHETHER people are rich or poor, learned or untaught, aged or young, they are the most intelligent beings in the universe. Through thousands of years, we have acquired knowledge, information, conscience, ethics, and opinions to determine what is right or wrong in every field of our life.

It is only the bureaucrats in centralised governments, the reforming Utopians, and the power craving politicians who believe that only they, the near perfect, the knowledgeable, should shelter, discipline, guide, educate, and employ, the ignorant imperfect people.

Bangladesh has been in the grip of such forces ruling the masses. Under this system, the famished poor exist to exhibit their voting rights and pay tribute to the ruling class.

Because of such practices, now totally corrupt, the country faces major economic crisis as soaring consumer prices, poverty, high petrol charges, and scarcities as electricity, gas, hospitals, reliable medicines, and schools.

The much talked about civil society has one argument to fix it -- elect honest people to seats of power and eliminate black money.

The government should not start a witch-hunt to identify few individuals for our economic distresses or for the political mess. People become corrupt not by choice in

Bangladesh but by compulsion.

For any businessperson, complex rules mean either they quit business, embrace poverty, or overcome such synthetic obstacles by sheer persistence, tenacity, threats, and bribes.

Socialistic economic ideals of Bangladesh's first government, of public ownerships, controls, and "development economics" thereafter, designed by governments, have obliged majority of our businesspersons to surmount numerous barriers to businesses.

Business bodies as FBCCI or DCCI do not exist to liberalise the economy but to promote their stakes. They lobby with governments and seek their protection. They fear competition, lest they lose their business, and seek government support to sustain their businesses.

Government policies, often made in conjunction with such interests, bring in too many business restraints, too many favours to some at the cost of others, but no economist or parties seem to blame this rigidity as a cause for widespread corruption, exorbitant prices, or for the pervasive prevalence of spurious goods.

Instead of looking deeper and rectifying methods that do not work, our experts, many of them richly endowed with foreign support, have embarked upon a scathing attack on black money and big businesses.

They are also for limiting election

expenditures even if legal. Their hunt is for honest people for honest politics and business.

Unfortunately, no people can do this unless unchangeable and predictable laws punish the dishonest and keep the environment free of corruption.

Generally, our politicians were not corrupt or undemocratic when they started politics but become so, as alleged, when in government. They are undemocratic as no law of the country forces them to be democratic or honest.

Business people have similar problems. They start the honest way but soon learn that they would be doomed if following the inflexible economic system.

Many of our big enterprises have offices and investments abroad and they are there without any corruption charges, or practices, to prove that it is always the law, not people, that keep markets and businesses clean.

The free press, if made permanent by law, can identify government policies that spread a reign of corruption.

We may be happy to see our adversaries in dire problems, just as we resent their successes, but a government must rise above these personal grudges, and focus on the very reasons of corruption, seek explanations and solutions.

The basis of corruption is certainly not wholly personal greed but the impractical economic ideologies that hinder investment and personal economic liberty.

The civil society and mainstream economists accuse a syndicate, supported by the past corrupt government, as the chief cause of high prices. It is common that consortium of importers, the syndicate, often import collectively to reduce huge financial involvements and risks if undertaken singly.

Many blame the unfree import policy, high taxes on finished goods that encourage spurious manufacturing, and economic uncertainties caused by political upheavals, amongst others, as the origin of skyrocketing prices.

However, prices have surely soared because our currency, the Taka, has increasingly shrunk in value and in relation to Euro, Dollar, or Pound.

Bangladesh has, in circulation, many currencies both formally and informally. It will be pure wisdom, though never a World Bank or an IMF recipe, to permit free circulation of all currencies.

If Taka competes with foreign currencies, or with gold-backed units as our socially castigated smugglers often do, the Taka may bounce back in value in relation to other currencies.

Today, in the absence of such check and balances, the central bank under government's development compulsion increases the quantity of money in circulation thus contracting its value.

It takes more money to buy than it took in the past. There are no shortages but a vertical decline in the value of our Taka. High consumer prices are merely a reflection, a consequence, of expansionary monetary policies.

The Austrian economists as Ludwig von Mises, Nobel Laureate Dr. F.A. Hayek, Henry Hazlitt, Dr. Murray Rothbard, and score other libertarian philosophers, have long

upheld free competition in currencies, in gold backed currency, and in the failure of central banks as the wise issuer of the "legal tender" -- the "fiat paper currency."

Third World governments and economists are usually economic tormenters. They remain submissive to world authorities and oppose market freedom.

Readers please note that officially, Euro is the single currency of all EU countries except Britain. Nevertheless, fifteen "other regional currencies have emerged in Germany since the first euros were printed five years ago," writes David Blair. Christian Gelleri, a teacher, founded Chiemgau in the town of Rosenheim in Germany in 2003.

The Bundesbank, once the issuer of Deutschmark in Germany and now the authority for issuing Euros has not suppressed the freedom of Gelleri. No poor government would ever grant such monetary liberty.

The Chiemgauers complement the continental currency and it is for the regional people to choose their currency. Upholding individual freedom to import freely or in choosing a currency is fundamental to prosperity.

Government diktats that restrict human freedom destroy economic prospects and make economies dimly poor and irretrievably corrupt.

For Bangladesh economy, to reduce consumer prices, to protect savings, to promote competition, it is necessary, in the words of late Henry Hazlitt, reviewer and columnist of New York Times, Newsweek, and author of "Economics in One Lesson," that "governments permit, side by side with fiat paper money, a private domestic and international

gold standard."

Bangladesh government should repeal the legal tender law to protect traders, investors, consumers, and savers from a monetary unit that fails to hold its value.

The collective result of freed currencies would increase production, stabilise prices, halt the declining value of Taka, and lead to satisfy growing market demand and supply.

Such liberal financial arrangement can unleash mass energy and productivity.

For Bangladesh to be free of corruption, we need not publish internationally configured indices, or undertake expensive research to release another set of statistics, but to separate the economy from government meddling, as the judiciary is on its way to become independent for rendering better service.

Governments should acknowledge the power of the market, of free play of market forces, of supply and demand, of free import or export and keep the economy independent of government's economic authority.

Certainly, whether it is the business leaders, politicians, or the ordinary all will abide by laws of the country that must uphold the natural economic rights of man.

Bangladesh can become as rich as Hong Kong that has an annual economy of some \$200 billion with its free export and import regime servicing China and the Asean economies.

Bangladesh economy, of far lesser billions, can boom by integrating with the surrounding economies by dismantling economic borders. Globalisation has come and nation-states will not only survive but also prosper if its eco-



nomie frontiers are unbolted.

An open border policy, but not of indiscipline or insecurity, is also an effective national defence as smugglers and armies always cross-guarded borders.

However, in realising our economic prospect, Bangladesh does not have the intelligentsia unless Dr. Md. Yunus, who understands open markets, and talks eloquently about it, enters the political scene, in competition with the established but the discredited ones, to give the much needed economic direction.

The Bangladesh government's chief role is to safeguard the economic freedom of every citizen not to preserve it as an elite domain of the foreign funded think tanks. Scholarly economists at Harvard or at Dhaka University do not participate in economies as entrepreneurs do.

Subsequently, policies that they endorse are not what an entrepreneur welcomes; therefore, there is a commercial compulsion to dodge government policies but at a huge cost.

To eliminate poverty, and corrup-

tion, it is best to develop an economy with spontaneous forces of the people. Development will be at the pace set by the people not by the government or the experts.

Development will come by liberalising markets but with strong government protection of property and personal security.

In contrast, government to government loans by foreign countries, from the World Bank, the IMF, or by pumping money by domestic governments merely pushes people further into poverty and into endemic corruption.

We need the government and the predictably of law, to protect businesses not from competition but from theft, forgery, corruption, and from the business exclusivity of the few who benefit richly from government mantras and complex regulations.

Government's role is unquestionably overstretched and it must be limited to the basics for a thriving democracy and a flourishing economy.

Nizam Ahmad is Director, Liberal Bangia, UK.---

View of an NRB

KHADEM KHAN

DEAR Dr. Yunus, I am a Bangladeshi-Canadian in favour of your plan to start a new political party. We want to give you (coming from outside the existing failed political circle) an opportunity to make the most desired changes in the politics of Bangladesh. Definitely, you are qualified and sincere, and may succeed in fulfilling the dream we all have.

We all know that it is a huge task solving all the problems of Bangladesh, which cannot be resolved overnight, but we are hopeful that your political goodwill, competent leadership and good governance will put the process on the right track.

Before you form the new party you should explain to the people of Bangladesh why you are different from others, what you want to achieve, and your vision. These should be in a tangible form so that people will be able to verify your accomplishment on completion of your tenure.

Don't rush! Ensure that bad politicians are eliminated from

politics. We don't want you to fail, which will destroy our last hope.

It's impossible to win against these evil politicians if they are not barred from politics. Wait till committed reforms are done by the caretaker government.

Please be tough in picking associates. No criminal should be permitted to join your party.

Our expectations

- Corruption free government, at least from top levels.
- Transparency and openness at all levels of government.
- Efficient government.
- Democracy.
- Opportunity to the competent individuals.
- Student and trade union politics

How to minimize corruption

- Beside normal law, any member of government has to prove his innocence against any corruption allegation in front of a committee or commission, like the parliamentary commission in the western world, which will be broadcast live over television. If needed, a dedicated TV channel should be opened to show such

hearings. This committee shall be able to call any citizen, like a businessman or a union leader, and seek explanations for his alleged wrong doings. Based on the hearing, the committee should propose criminal prosecution.

- Formation of an ethics committee to oversee governance at all levels of government.
- Severity of punishment should be based on the degree of corruption
- (not like life imprisonment for smuggling 360 cell phones, while thefts of billion dollars get minimal or no punishment, like Ershad, Tariq Zia, etc).
- Exemplary punishments for a few initial cases of corruptions.
- Employees must declare to the authorities actual, perceived, or potential conflict of interest. A government employee should not associate with a business organization which has interest in his position and function.
- Develop culture of accountability and openness. It should be clear who is accountable for what, and who should bear the responsibility of wrong doings in his/her

area.

- Develop and implement a code of business conduct.
- All elected members should provide full account of their wealth before
- accepting their new responsibility.
- Intensive training on ethics at all level of government, semi-government and non-government organizations.
- Provision for government employees and elected officials to confess to commissions/public their wrong-doings in the past.

Transparency

- Information shall be available, and easily accessible, to the general public. People should know their rights and the related laws, and the punishment for breaking the law. The TV channels can be used to educate people about laws.
- A computerized, sufficiently secured, data-base should be used to preserve information which is easily retrievable.
- The hiring process shall be based on an approved procedure

which was prepared prior to the hiring.

Efficient government

- Select competent people for appropriate positions.
- Arrange necessary training as needed. Members of parliament should have
- adequate training on their role in parliament.
- Foreign help may be sought for training employees at different levels of the

- government.
- Professionalism.
- Provision of firing and hiring in all levels of government organizations. No job is
- guaranteed to be permanent.

Democracy

- Democracy should start from the party itself. The party should practice democracy at all levels.
- Restriction should be imposed on lateral entry of a family member to party leadership.
- The leadership position should be for a definite time span to allow growth of leadership within the organization.
- Some responsibilities should be delegated to lower level leaders so that the party does not appear

to be a one man show.

- Critical decisions should be taken collectively, in a transparent way.
- No administrative power for elected MPs.

Opportunity

- Transparent hiring process.
- Provision for significant remuneration on exceptional performance.

Student politics and trade unions

It is beyond any doubt that the present practice of student politics and trade unions is damaging to the national interest. Total overhaul of the practice of student politics and trade unions is required. It is recommended that trade union politics should be governed by some rules. Breaking those rules will be punishable crimes. Student parties should not be affiliated with any national major parties.

May Allah bless you in your effort to bring our beloved nation to a respectable position in the world. We want to extend our full support to you.

Khadem Khan is a freelance contributor to The Daily Star.

Bangladesh's development syndrome

SHAMARUKH MOHIUDDIN

THERE is an enviable constituency for Africa in the United States -- one that is designed to mobilize attention and resources to be directed towards every major issue that plagues the continent. Whether it is the Aids epidemic, food crisis or human rights violations, NGOs, interest groups, celebrities and policymakers are invested in leading the fight against them head-on.

Indeed, Africa needs all the attention and help it can get. Save a few African countries, which have made progress on economic growth, debt reduction and governance, progress in most others is severely inadequate.

What is regrettable though is that when it comes to foreign trade and aid policy, the US focus on Africa often tends to sideline some other very poor countries such as Bangladesh.

Of the 50 UN-designated Least Developed Countries (LDCs), 33 are in sub-Saharan Africa. The rest are largely Asian countries, some of them small island states.

Of these, Afghanistan, Bangladesh and Cambodia are some of the more populous states with quite substantial development challenges.

Even their per capita incomes are smaller than those of some African LDCs, such as Mauritania or Angola.

Despite this discrepancy, American NGOs, policymakers, and the assorted cadre of interested parties mentioned above often tend to ignore, or at best minimize, the problems of very poor, but non-African, LDCs such as Bangladesh or Cambodia.

Worth noting that Afghanistan gets ample attention and aid, due to US strategic interests of creating a functioning state there.

The fact remains that while Africa is in truly desperate shape, there are far larger numbers of people living in severe poverty in places like Bangladesh or Cambodia than in groups of some African countries combined.

Recent Bangladeshi accomplishments, such as self-sufficiency in food production,

social innovations such as microfinance, and the ability to withstand cutthroat clothing trade competition from China are obviously remarkable.

But somehow, they are falsely projecting an image of our nation in Washington, DC circles as one that is no longer in need of foreign attention or help.

Meanwhile, Bangladesh recently had to slash its annual development program for this fiscal year by 15 percent to 220 billion taka (USD 3.18 billion) because of hefty loan repayments and poor aid inflows.

My point here is not that poor countries like Bangladesh or Cambodia should seek to make donor country governments and NGOs see us as perpetual victims.

It is, rather, that things should be kept in perspective. Our impressive economic achievements should be seen as examples in their own right, and not as reasons to shift trade and aid policies to favor others at our expense, some of whom may even be better off than us.

For example, at a recent gathering of international development wizards in Washington, DC, an influential Washingtonian, while mentioning the need for better trade and aid policies for Africa mentioned Bangladesh and Chile in the same breath as countries that are doing well and not in need of help.

Note that while Bangladeshi growth rates over the past few years have been quite phenomenal, Chile's national income per capita is slightly higher than Bric countries (emerging economies) like Brazil or Russia.

It is time for Bangladeshis to build a well-oiled machine similar to the constituency for Africa in the United States.

We must strive better to convey the real situation, interests and needs of our country to American policy decision-makers than be the victims of their false notions.

The author is a freelance contributor to The Daily Star.

Our public universities

M SHAH ALAM

A roundtable discussion on corruption in the public universities, organized by Transparency International Bangladesh (TIB) on February 8, 2007, in Dhaka, attracted wide public attention and added a new dimension to the critical observations on the state of affairs in the public universities. While the TIB roundtable specially focused on corruption perpetrated in our public universities, most of the issues on the problem of efficient management of these institutions came up for discussion.

Mismanagement, abuse of autonomy given to major public universities under the 1973 university ordinances, corruption and, of course, teachers' and students' politics are posing a threat to quality higher education. One of the reasons for the mushrooming of private universities in the country is not only the incapability of the public universities to develop and expand, but also the their further deterioration. However, with few exceptions, the growth of private universities has not been very healthy, and is yet to become a viable alternative to public universities.

After intense competition in the admission test, the bulk of the meritorious students still comes to the public universities because tuition and other fees here are nominal, and academic standards are still tolerable. Let us make no mistake, public

universities have so far produced graduates who are now at the helm of affairs in the various sectors of our national life. Many have earned high laurels, and are working abroad with honour. These institutions must be protected, as one of our very distinguished professors Dr. Jafar Iqbal warned, before they degenerate and disappear like dinosaurs.

One of the root causes of deterioration of the public universities is said to be too much autonomy granted under 1973 university ordinances. These ordinances had been believed to be contributing positively towards democratization of the administration of the universities. Once seen as great virtue, university ordinances are now being looked down upon as a vice, because we have misused and abused them. Criticism is mostly directed against the provisions for elections to different positions and bodies of the university administration, i.e. vice-chancellor, senate, syndicate, dean etc.

Teachers' politics revolves round these elections. There is a natural tendency, therefore, to recruit teachers on political considerations. It is here that party politics in the appointment of the vice-chancellor, and other government nominees to various university bodies, by the ruling party comes into full and crude play. Successive governments through their appointees in the public universities have, by turn, recruited many teachers who have seriously

undermined the academic standards of these institutions.

Appropriate standards and norms, i.e. academic excellence, experience and seniority, need to be devised, in lieu of election of the teachers to various university bodies. The task is not easy, yet not impossible. A rational balance between election and selection on the above criteria needs to be struck. It will require amendment of the 1973 university ordinances. I believe that there is national consensus on the need for amendment of the ordinances, although many teachers perhaps would speak for more rational application of the ordinances rather than their amendment.

Gone are the days when student politics contributed to the enrichment of national politics and to the struggle for the rights of the people. It has now grossly degenerated into all-out attempts by the student affiliates of the political parties to "occupy" by whatever means the dormitories and the campus, and establish and perpetuate their influence and authority.

Unfortunately, and wrongly, political parties still consider the public universities as some sort of power base, as well as a base for demonstration of their power because, traditionally, student politics has played a strong role in national politics. But this is no more. Now the objective of student politics is mostly to gain various advantages from the university authorities, who

also depend on student groups for their own interests.

Financial over-dependence on government grants is another problem which the universities would need to overcome. About 90% of a university's budget comes from the government exchequer, and has not seen any significant rise in the last several years. Financial constraints impede creation of more academic, logistic and infrastructural facilities for the students and the teachers. It makes the universities dependent on the government to the extent that academic freedom is infringed.

Universities need to generate their own resources and income, and increase their share in the university budget. Various kinds of fees, specially tuition fees and seat rents in the dormitories, have not registered any increase in the last 35 years and, if considered in real terms, the fees have substantially decreased. Food and education accessories form the major part of the students' monthly expenditure in the universities. Any major, but reasonable, rise in tuition fees and seat rents would not lead to any significant rise of their percentage of total monthly expenditure. But it can make a major difference in the university budget to be used for the benefit of the students themselves. Moreover, this is likely to make the students more responsible, giving them more sense of participation in the running of the universities, and more demanding of the authority



about their education rights.

Unfortunately, university autonomy, not exercised so far with caution and care, has robbed the universities of the virtue of accountability. Lack of accountability and transparency leads to corruption, and vice versa, producing an awesome vicious circle. Politics, again, is the reason for this. For example, teachers not taking classes regularly and properly have little fear of any action being taken against them, because they have party protection. Teachers are not admonished or censured, because they are not only teachers but also voters. This is, of course, not to undermine the services of the dedicated teachers who, I believe, are still in the majority.

The caretaker government has an agenda to free many important sectors from corruption and ensure