

## The state of the State of Emergency



Meanwhile, whoever is running the show should take some positive steps to take the people into confidence to contain and crush corruption with a view to getting good governance in the future. Avoiding divisive statements and policies, and not orchestrating farcical trials of mega thieves and criminals on flimsy charges should be the next steps towards good governance, growth, and development.



TAJ HASHMI

**H**AVING tasted the bitter elixir of "democracy," "socialism," and "secularism," the omni-present

dered and desperate for a change.

Hoping against hope, they also reposed faith in the two successive matriarchs, Khaleda and Hasina, who inherited the mantle of power not by merit but by family connections. As both of them proved to be the custodians of absolutely corrupt and inefficient regimes turning Bangladesh into the most corrupt country, the masses released a sigh of relief at the onset of the State of Emergency on January 11.

Apparently, the Emergency has signaled the end of Khaleda-Hasina autocracy and has given the country a breathing space and some semblance of law and order. The people are sick and tired of endless violence, strikes and blockade, rioting and public lynching of political opponents on the street in the name of "restoring democracy" through "free and fair" elections. The average people welcomed the Emergency as the caretaker regime under Iajuddin Ahmed had taken one controversial step after another. They seem to be happy with the present caretaker-cum-Emergency government and optimistic about the outcome of its anti-graft/anti-corruption measures.

One is, however, not sure what form of government will be coming in the wake of the Emergency. As the Emergency cannot be an end

in itself, making "politics difficult for politicians" is not going to salvage the country either. It is high time that the present regime start calling a spade a spade by identifying itself not only as an interim government to hold free and fair elections but also as the one determined to establish the rule of law and a corruption-free society in Bangladesh.

Most importantly, with the abrupt replacement of an unelected albeit constitutional caretaker government by the State of Emergency, which constitutionally cannot last for an indefinite period, one is not sure if Bangladesh is experimenting with the most bizarre and unique form of government in the world. It is a combination of the caretaker system under the State of Emergency with a titular president dictated by a seemingly powerful chief adviser, who again seems to be under the shadow of the military. One wonders, as if the equally bizarre caretaker system was not bad enough to single out Bangladesh as a dysfunctional democracy under the pretence of running a Westminster type government.

In view of the above, one may surmise that in a civilian setup only the home minister or home secretary, not generals, may instruct the police chief to do certain things. Blaming politicians' divisive policies and their not "recognizing the father of the nation" are highly sensitive issues. Had the general been not an integral part of the interim government, he would not have touched on these important national issues. Consequently we may assume that Time magazine is totally wrong in portraying the chief adviser as the new "boss" of Bangladesh.

So far so good. Bangladesh is

having another round of un-elected

but popular government, full of lofty

ideas and promises. I am one of those who prefer good governance by honest and efficient autocrats to bad governance by dishonest and inefficient elected representatives.

Almost all the post-colonial states in the wake of World War II

came into being with the admirable promise of establishing democracy, liberty, equality and fraternity; national dignity, respect for human rights and the freedom from hunger and poverty being some of the other lofty ideals. Some of the over-

enthusiastic nationalist leaders even promised "people's democracy." Hence the corroborative expression "people's republic" became the prefix of some of these post-colonial states, including Bangladesh.

Our experience tells us that as democracy remained elusive so were social justice and the freedom from hunger throughout the post-colonial world -- from Ghana to Kenya, Algeria to Egypt, and Pakistan to the Philippines.

(Daily Star, March 28, 2007).

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and again it has so far failed to prove anything substantial against those who are said to have embezzled and smuggled out billions from public coffers.

It is really pathetic that those who have robbed billions are facing the flimsy charges of extorting a few million takas from some local businessmen, holding an unlicensed gun, possessing foreign currency worth less than \$5,000 at home, or stealing some relief goods. There is no explanations as to why men like General Ershad and their cohorts can publicly assert their innocence while one does not need rocket science technology to incriminate these criminals, whose number is most definitely in thousands not in scores or dozens.

One is puzzled as to why the

promoters-cum-protectors of

corruption and nepotism should be

allowed to leave the country to live

in exile in Saudi Arabia or elsewhere.

The government should

pay heed to the smoking guns to

book the criminal politicians,

bureaucrats and businessmen. It

should try them through special

tribunals in accordance with the

existing law or new regulations.

As rights imply duty, the government

should suspend all fundamental

rights for a few years to eliminate

corruption, once for all, by taking

drastic measures, including dis-

pensing capital punishment, life

term, and expropriation of property.

The government's reliance on

the traditional judiciary and police

administration, as it is doing now,

will further benefit the rich and

powerful criminals, who know how

to manipulate and buy "justice."

Meanwhile, the government

should make at least a fivefold increase in the pay scale of the judges, police, taxation, and customs officials. Salary hike along with provisions for stringent punishment for dishonest government servants a la Singapore, Malaysia, and South Korea would establish the rule of law, eliminate corruption, and generate national wealth.

Since this interim government has the whole-hearted support of the overwhelming majority, it should not waste time preparing voter identity cards as elections are not going to bring any fundamental changes unless thugs and swindlers are permanently denied any role in the arena of politics. Instead of further dividing the polity by "recognizing the father of the nation" -- which is a highly contentious issue -- the government should only try to create a permanent base for an honest and efficient government in the long run. The government should also impose a ban on all religion-oriented political parties and disqualify politicians having no known source of income from taking part any role in politics.

Meanwhile, whoever is running the show should take some positive steps to take the people into confidence to contain and crush corruption with a view to getting good governance in the future. Avoiding divisive statements and policies, and not orchestrating farcical trials of mega thieves and criminals on flimsy charges should be the next steps towards good governance, growth, and development.

Taj Hashmi is a writer and historian.

## Fighting corruption: Not for faint-hearted liberals



In another continent and in a different context, a mass circulation tabloid coined: "If Kinnock wins tomorrow, will the last person to leave the country please turns off the lights?" If the present fight against corruption is not conducted with steely nerve and resoluteness then the advice of switching off lights may become applicable to many here in Bangladesh. Time will tell what fate hold us.

MANZOOR HASAN

**T**HE present fight against corruption was unthinkable a few weeks ago. Anti-corruption rhetoric was largely confined to newspaper articles, roundtable discussion and academic pieces. So what happened to bring about such a dramatic change? Governance literature provides some clue.

Due to dramatic failure of governance many societies have experienced serious crises when certain events coincide. Manifestations of such dysfunctional governance are many: high level of corruption, failure of institutions to check executive's power, decadent political leadership, and weak rule of law resulting in impunity. In other words, the governance environment in such societies becomes so feeble that a minor event becomes the straw which breaks the camel's back.

In Hong Kong it was Peter Godber, a police superintendent. The Independent Commission Against Corruption (ICAC) was established in 1974 after a scandal involving Godber, who absconded from the colony in order to avoid

prosecution. The commission, which was established in 1974, concluded that corruption in Hong Kong was deeply rooted, rampant, and highly organized. The response to such a dismal situation was the establishment of ICAC by enacting a law which has been described as "strong, clear and effective as it could be made."

The new laws criminalized corruption which included obstruction of justice, theft of government resources, blackmail, deception, bribery, making a false accusation, or conspiracy to commit an offence. The law gave authorities discretion to conduct searches, examine bank accounts, subpoena witnesses, audit private assets, and detain individuals, seize passports, property, and detain suspects when evidence suggests a risk of flight. These restrictions certainly infringed fundamental principles of due process but the peculiar circumstances in Hong Kong called for such special provisions to prevent individuals from leaving the territory and escape prosecution by taking advantage of Hong Kong's porous borders.

Let us look at Singapore's experience. Similar to Hong Kong, Lee Kwan Yew was determined to

transform Singapore from one of the most corrupt in Asia to what it is now -- squeaky clean.

Hong Kong and Singapore were both highly corrupt, police and political scandals triggered a series of reforms that restricted some personal freedom but in the process reduced the high level of corruption which resulted in impressive economic growth. Needless to say that there were other factors which also contributed to Hong Kong and Singapore's impressive achievements over the last few decades but at the expense of curtailment of some political freedom.

Bangladeshi politicians and their side-kicks took us for a ride and were about to show us the "provisional High Court" on January 22. The criminal behavior of Messrs Tarique and Associates resulted in massive hemorrhage of scarce resources, undermining of law and order, destruction of institutions through the strategic placement of stooges, and the final straw came with the ultimate threat of turning Bangladesh into a "failed state." The venal parasitic politics became Bangladesh's "governance crisis."

The new government of Bangladesh, which took office on January 11, has taken some bold steps. Suddenly, political will has been re-discovered in Bangladesh and the country took a sharp detour to avoid a fatal collision, and the unthinkable is happening. Is this the beginning of Bangladesh's new journey? Are our expectations too

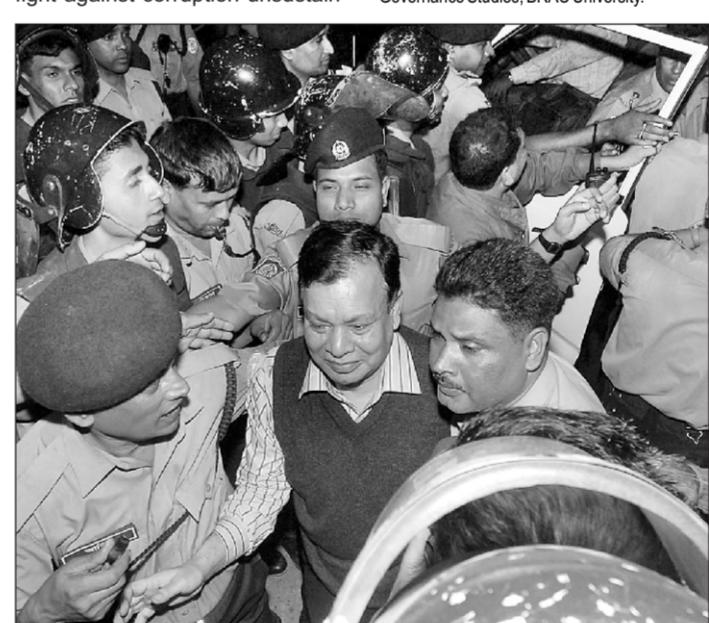
high? Are we going to persevere with this hard-line policy as did Lee Kuan Yew, et al? Whether some of us, being faint-hearted pseudo liberal democrats, will start clamouring for elections just to bring back the pre-1/11 politicians and their confrontational and internecine politics?

Fighting corruption is a generational task but it has to get off to a good start. The initial phase needs to be thought through and policies have to be implemented with rigour and extreme focus. Kid glove approach is bound to back-fire and it will furthermore weaken the resolve sufficiently to make the fight against corruption unsustain-

able.

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## Markets 102

K.A.S. MURSHID

**G**IVEN the rave reviews for 2011 I thought it was time to come back with more. The worries with inflation and food prices remain acute, compounded by other developments: the avian flu for one, but also contraction in key labour-intensive sectors like construction, and generally a cutback in consumption in the face of the crackdown. I am glad however to see that references to syndicates and hoarding seem definitely to be on the wane!

A major difficulty with economic analysis in many countries is the urge to find domestic causes for domestic problems -- a kind of "analytical nationalism" that does not sit well with the new era of global integration. Thus, instead of looking for monopolist behaviour, we perhaps ought to have focused on what was happening in India. Instead of screaming for the blood of hoarders, it may have been better to take a look at the world market situation for foodgrains -- you see the drift of my argument, right?

Nevertheless, let us take a fresh look at domestic price trends.

Recent inflationary price rises has been led by food prices which have risen faster than non-food prices, especially since end-2005. The month-to-month rice prices behaved rather oddly in 2005-06. The post-harvest price decline in November-December was short-lived, while prices actually registered a rise in May-June in Dhaka markets, instead of a price decline after the major boro harvest -- an unprecedented phenomenon!

In the meantime, what has actually been happening to domestic production of foodgrains? Production increased by 6-10 percent in 2005-06 (depending on whose figures you trust) over the previous year. Why then would post-harvest prices rise?

You should have been able to guess by now that I would soon want to point figures at foreigners! But let me just put in a quick word on "demand." Given the high growth rate of GDP over the last few years, per capita incomes have been steadily rising. Workers and labourers too have benefited -- I know that this is difficult to believe, but that is exactly what the data shows. For example, the wage rate index (after taking inflation into account) rose

from 125 in 2000-01 to 149 in 2005-06. In addition, the government has been following an expansionary monetary and credit policy -- all suggestive of a steady build-up of demand pressure on the market.

Unfortunately, supplies did not manage to keep up. We are of course short of many things -- onion, dal, baby food, soyabean oil, sugar, petrol, nappies -- all of which we have to import. As it happened, the exchange rate moved steadily against the Taka making these imports more expensive, while at the same time, fuel prices shot through the roof -- exerting huge pressure on our foreign exchange reserves which, mercifully, was eased by accelerated remittance flows (thank you, guest workers). At the same time, the world market in foodgrains experienced considerable instability, as unexpectedly, countries like India entered the market as a large buyer in the face of a domestic crisis (yes, here it is finally, the link with India).

Alas, the Indian food regime has

been changing rapidly, causing deep discomfort within India itself but going largely unnoticed and without comment here in Bangladesh. I guess our Indologists have been looking at

either way.

Rising real wages in Bangladesh suggests that adverse effects of the inflation may have been off-set somewhat but this would be of little consolation to those whose nominal earnings have not changed. Under the circumstances, what should we do and not do? It would be foolish and wasteful to try to revive TCB. The notion of open market sales e.g. through BDR (presumably at a subsidy if all costs are considered) is interesting (mimicking OMS of rice/wheat), and seems to warrant a closer look. I am all for such subsidies.

All our policies (including monetary, fiscal, credit, interest rates)

need to be geared to sustaining growth; and finally, market confidence (that is down to a low ebb) must be restored ASAP. At the moment the only business that seems to be flourishing is the mattress making business with huge orders pouring in, I am told, as people desperately search for alternative ways to park their cash and valuables.

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obvious is that killing chickens on farms near the infected farms is also essential. As the virus spreads so fast (18 km per day), one must assume that chickens on farms near the infected farms are also infected but are not showing symptoms yet. The only way to be safe is to kill all chickens near infected farms. Obviously this cannot be accomplished without compensating the farmers; without compensation they would not cooperate with a culling program.

The problem is that culling and compensation have not been practiced uniformly. Chickens within a 1 km radius of the Gazipur and Savar bird flu outbreaks were culled, but the same policy was not followed in dealing with bird flu outbreaks in Tangail and Jamalpur. As the Daily Star reported (on March 29):

"Livestock department officials are carrying out surveillance in all affected districts but did not take any measure to cull free range chickens in Jamalpur and Tangail within a kilometre radius of the infected farms there, which is supposed to be the official strategy for preventing spread of the virus."

Reports received from Jamalpur said

district livestock officers have yet to take any measure to cull free range chickens within a kilometre radius of the infected farms in the district."

Why were chickens not culled in Jamalpur and Tangail? This is unclear from the news reports, but one can guess that the government did not have the funds to compensate farmers for chickens which were supposed to be culled. If this is the reason, the government should immediately ask the international donors for funds to support a program of culling all poultry (with compensation) within 1km of all the outbreaks which have been detected so far. It might also be advisable to involve large NGOs like BRAC in the compensation disbursement process so that farmers are not cheated out of due compensation by corrupt government officials.

Stopping transportation of chickens out of infected areas is obviously essential to stopping the spread of the disease. What is not

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