

The awesome fight against corruption



MUHAMMAD NURUL HUDA

A reputed academic cum activist of Bangladesh has very aptly remarked that fighting corruption is not a faint-hearted liberal's job and the same also is not a 'nine to five' assignment. Nothing could be closer to the ground reality of Bangladesh. While emphasising on the urgent need of instituting criminal cases against the potential suspects including the high and mighty with a view to cleaning the electoral politics generally and to ensure a level playing field, we are increasingly oblivious of the factors that actually impeded actions against the corruption menace.

There is no denying that there was hardly any political will and determination to counter corruption as many politicians continued to hold the belief that political power was the means to become rich. In such an environment it was only natural that the offices of erstwhile bureau of anti-corruption at different places would suffer from inactivity and inertia. The ACC chief's dissatisfaction and disappointment at the performance of some field level staff does not come as a surprise. Irregularities and indiscretions do not cause the raising of eyebrows in a milieu where corruption for many has become a way of life.

Bangladesh is facing a financial crunch. Revenues have fallen. Expenditure, specially the non-

productive one is increasing. Foreign assistance is not all that steady. Everyone is talking about self-reliance and sustainable development. No stigma is now attached to black money in our society. Tax incentives have been given to black marketers, tax evaders, drug barons, gun runners, smugglers etc. The corrupt have their promoters, supporters and partners everywhere in business, trade, industry, and agriculture and even in media. Under circumstances as above,

official without spontaneous cooperation and assistance from persons who until recently were his colleagues or may even have been accomplices? Enlisting cooperation from taxation officials to prove criminal cases pertaining to ill-gotten wealth is a time-consuming labourious process. Similarly, incidents of custom duty and sales tax evasion thereby depriving the public exchequer of its rightful dues are difficult to establish without a proactive approach from the cus-

The above comments are not meant to exonerate, by any means, the unprecedented fraud and criminal misappropriation in education, public works, law and order, land revenue and so on. The extent of corruption and related difficulties of countering the same are highlighted to impress upon the unfortunate development concerning near total absence of departmental vigilance and corrective action. Somehow there is a belief that

crept in the judiciary including substantial part of the apex outfit. It has been reported that 41 judges of the High Court are clear political appointees and the chief justice entertains doubt about the integrity of the process of appointment. Already many distinguished lawyers are making disparaging comments about the competence and honesty of such superior judges. In a situation as above, there can be apprehension that many judges may

have the services of the best and expensive lawyers. Such forethoughts are definitely relevant and one can expect that the government will be generous to use its financial resources in the fight against corruption. The adversary is too strong to be taken lightly. The expected lifting of the ban on indoor politics in the not-too-distant future will no doubt have an impact on the momentum and tenacity of the graft enquiry and investigation. The inescapable irony is that the absence of democratic activities has time and again facilitated the process of anti-corruption drive. Once political governments have taken charge the drive has inevitably slackened and has bared its teeth only when the accused happened to be the political opponent. Events of yesteryears are a credible testimony to this sorry state of affairs.

We now have a classic catch-22 situation. The popular demand for tough measures against corrupt elements may not be adequately realised on account of relaxation of embargo on political activities which again fits well with the expectations of a democratic polity. There would be fence-sitters in the establishment who would like to move cautiously.

We are in a mess because institutions have not been allowed to flower. The myopia of our politicians has to take a large part of the blame. Corruption has not been condemned in a forthright manner and as such we do not see meaningful resistance to the malaise from within the society. Cultural internalisation of the good and the evil has not been manifest. The doughty ACC chief has rightly underscored the problem. However, it is time to deliver and not dither.

The bottleneck of inexperience in investigating criminal cases relating to corruption has already been highlighted with the observation that training courses would be organised to ward off the shortfall. One can hope for the best but there is ground for concern when one finds that our supreme graft fighting body is not adequately prepared to properly investigate delicate cases of financial crime. The worrying part is that the accused would be entitled to all the benefits of doubts and the defence will

not act in a truly judicious manner while trying and disposing appeal in cases that involve the fate of their benefactors of the recent past. In deciding criminal cases the element of presumption of the presiding judge is considered an important factor in adjudging the guilt or otherwise. The human dimension, therefore, cannot be brushed aside. The officers of inexperience in investigating criminal cases relating to corruption has already been highlighted with the observation that training courses would be organised to ward off the shortfall. One can hope for the best but there is ground for concern when one finds that our supreme graft fighting body is not adequately prepared to properly investigate delicate cases of financial crime. The worrying part is that the accused would be entitled to all the benefits of doubts and the defence will

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MUHAMMAD HABIBUR RAHMAN

Death of a traffic police

Woe betide the country! What a bad luck! Where the traffic police is overrun by a truck! Who made whose life miserable? Did the traffic police make himself insufferable? Please tell us, please describe Did he demand more bribe Than that was settled before? And that the driver did deplore.

The police and the public carrier strive Two together, they design and contrive. Two together, they sink, float and survive.

Why did the truck driver hit The traffic police to axe his feet? Was he not an obliging conniver Of rules, and his great defender?

If the traffic police becomes a lame duck All the truck drivers may run amok. Should a truck-driver be so foolish To run over so casually a traffic police?

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RESTRUCTURING BIMAN

Change for good, or is it?

IMRAN ASIF

ON 26th April a number of national dailies carried the news: the Government of Bangladesh has decided to turn Biman Bangladesh Airlines into a public limited company upon recommendations from the 'high-powered' committee which was bestowed with the responsibility to find a way to rescue Biman. As I read on, the mention of loss reduction through the restructuring process and cutting the nearly 7000-strong manpower to half took me bordering ecstasy, until I came to read that the government would still like to own Biman by hundred-percent once it does become a public limited company. Ughh...now that surely hurt!

The recommendation of the 'high-powered' committee is highly confusing. If hundred-percent shares of Biman would still remain with the government after the proposed restructure, how would that eliminate any of the reasons why Biman is in the state that it is in today? Back in September 2000, Salomon Smith Barney, a financial institution under Citigroup, prepared and submitted an Information Memorandum to Biman in regards to the government's interest at that time to sell a part of its equity interest in Biman. That memorandum, albeit somewhat dated now, identified certain extremely important factors to consider for any kind of restructuring. I wonder if the current committee had the time to find out the document and dust-off for a read.

The Adviser for Civil Aviation & Tourism, Mr. MA Matin was quoted as

saying, "I shall recommend making Biman a limited company by June." The last financial audit, which was not even comprehensive, was performed at Biman for the fiscal year 2004-2005. In order to properly transform Biman from the structure of corporation governed by the ordinance to the structure of a public limited company to be governed under the Companies Act, a full-fledged and comprehensive audit is imperative, which itself can take between three to six months to complete. Trying to do a good thing promptly should not end up in something stupid and worthless.

From my little knowledge in the commercial aviation business, I have gathered together a list of eight tasks that the government should accomplish with the case of Biman: 1. **Exempt Biman from PPR-2003:** The Public Procurement Regulation of 2003 prepared by the World Bank for the government to follow for public procurement activities has turned out to be a nightmare for Biman. It has 'encouraged' corruption at Biman, and has crippled the airline's fleet modernisation efforts. The airline should be immediately exempted from having to conform to the PPR-2003 as far as aircraft and aircraft spares procurement is concerned. The government should take a bold and determined initiative to do this favour for Biman. Of course, all aircraft and spares purchases should be fair, transparent, and accountable to the Board of Directors.

2. **Restructure Biman's Board of Directors:** Instead of randomly chosen bureaucrats and lawmakers, it should be people with professional

experience in the airline business and related sectors who should constitute the Board of Directors of Biman. The Managing Director should be flanked with professionals with extensive experience in travel business, finance, human resource, IT, and such sectors which are directly related with the airline business.

3. **Allow accountable freedom and authority to the executive management:** In its 35-odd years of operation, Biman has had 24 Managing Directors at the helm of the airline till date. Well, not quite at the helm really. Through its lifetime, the actual control of

Biman for long. The ministry may only be furnished with periodical reports on progress made, and may only interfere and/or consulted with in case of significant issues where the government is or ought to be involved. 4. **Plan and finance for immediate induction of aircraft:** With just four of the nine wide-body aircraft operational, Biman is faced with severe capacity shortage, which is allowing international carriers to take away whatever passenger market Biman is left with. The airline should immediately be allowed to lease four Boeing 777-200ER/300ER or Airbus A330-

from nationalised commercial banks as well as from private commercial banks.

The choice of aircraft between the manufacturers should be based upon mature analysis and not on anyone's personal choice or mindset. Evaluations of aircraft should not be based only upon initial acquisition costs, but also considering operational economics, maintenance costs, and industry-projected residual values.

5. **Restrict union activities for a stipulated timeframe:** As of year 2000, Biman had as many as 10 labour

Running an airline profitably in today's world requires as much concentrated focus and skills as rope-walking in circuses. Biman will have to take the challenges on its own everyday just like the rope-walker does to make his living, and the government will just have to be there as the safety net, least desired to be used.

Biman was always with the Ministry of Civil Aviation and Tourism while the Managing Directors were appointed to take the daily heat, and simply execute decisions imposed by the ministry. This must change once and for all.

The Managing Director should be appointed for a minimum and renewable period of five years to achieve a practical set of objectives. His actions must be accountable to the restructured Board of Directors, and to the satisfaction of the Board and upon acceptable success of attaining the objectives, his appointment may be renewed. He should not be wasting four hours a day on an average in going to and coming back from the ministry, which has been the case in

200/300 aircraft for operations to the Middle-East and Europe, and three Boeing 737-800 or Airbus A320 aircraft for domestic and regional routes. Sticking with either one of the manufacturers would be beneficial for negotiating prices.

These leased aircraft should serve Biman until 2014 when the new-generation aircraft such as the B787 or the A350XWB should replace the B777 or A330s. The orders for the new-generation aircraft should be placed now in order to receive them in time in 2014, and both Boeing and Airbus would be glad to arrange at least 80 percent of the financing required if the government is convinced to issue a sovereign guarantee in their favour. The remaining 20 percent can come

unions with the Bangladesh Biman Employees Union acting as the collective bargaining agent. While I am not suggesting a complete ban on union activities, I firmly believe that certain rights should be restricted for the stipulated timeframe that it may take for Biman to go through the restructuring process.

On 27th September 2005, Biman's employees went on a strike demanding a pay-hike, which had seized flight operations and handling in all of the country's airports for nine hours, leaving thousands of passengers suffering. While raising legitimate demands can be well within the rights of any labour union, I am strongly against the idea that they may be allowed to hold passengers and

revenues and must be addressed promptly. Route structures should be planned according to capacity and market demand and flights must be scheduled properly to reach that market. Biman should also participate in every BSP arrangement so that more travel agents around the world can sell Biman's tickets, and the tickets should be priced based on advanced revenue management systems which guarantees higher yield at competitive ticket prices calibrating the traffic mix. In order to achieve such revenues in a competitive business environment, the marketing processes must be streamlined, which is only possible through greater IT penetration.

7. **Adopt a long-term business plan and prepare for privatisation:** With the induction of new aircraft and the subsequent restructuring of routes and fares, Biman should be able to prepare a sustainable business plan for itself for the next 20 years. Once that is in hand, the government should transfer all liabilities up to that point of time into a block account. It should then release at least 51 percent shares for offering to all capable airline investors locally and internationally, or release the 51 percent shares through IPO after turning Biman into a public limited company. The government should also be determined to let go the remaining 49 percent of the shares once the airline can demonstrate self-sustainability without any more government support, until which time the government shall also be entitled to the dividends for its 49 percent stakeholding.

8. **Deregulate environment and allow competition:** Until recently, Biman enjoyed exclusive use of the international air traffic rights of Bangladesh as governed under the Air Service Agreements (ASA) with other nations. With this exclusive privilege, Biman were given an illusive 'protection' by the government. 'Through over a decade, the airline passenger traffic growth in Bangladesh was averaging around 6 percent annually, whereas Biman has experienced a steady decline in its market share over its lifetime. Since no private airlines of Bangladesh were allowed to operate in international routes where Biman had a scheduled service, the growth of traffic were all taken away by the international carriers whom neither Biman nor the government had any

way to stop.

In our neighbouring countries of India and Pakistan, deregulation of the airline industry and allowing competition to the national carriers from private airlines have not only secured most of the traffic growth but also forced the national carriers to improve their efficiency and competitiveness. The same should be practised here in Bangladesh. The Civil Aviation Authority of Bangladesh should set acceptably high-standards for local airline start-ups (to prohibit sub-standard efforts) and allow any available routes they wish to operate on. If there are frequencies on any route which are occupied by Biman but not regularly operated, those should be revoked from Biman and made available to the private operators too, and let competition do its magic.

Through the execution of the eight tasks mentioned above, what we will have in hand is a scenario pretty similar to that of rope walking at circuses -- running an airline profitably in today's world requires as much concentrated focus and skills; Biman will have to take the challenges on its own everyday just like the rope-walker does to make his living; and the government will just have to be there as the safety net, least desired to be used.

However, it will have to be a circus minus what is quite annoying to Mr. Matin himself -- the clowns!

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Against the wall: The US faces a united Iraq

HUMPHREY HAWKSLEY

THE controversy over a 12-foot-high concrete wall, topped with barbed wire coils, to divide Sunni and Shia neighborhoods of Baghdad is a depressing benchmark for America's liberated Iraq. But it also presents an opportunity for the US to disentangle itself from the past four years and step ahead with greater clarity.

The Adhamiya wall is one of many military ideas to come from the "surge," or Baghdad Security Plan that began in mid-February, aimed at stemming violence to give negotiation a chance.

It was to have stretched three miles to divide the middle-class Sunni suburb of Adhamiya from adjoining Shia communities in an area that has suffered some of the worst sectarian killing and bombings. The 400,000 people living inside Iraq's first walled Sunni enclave would need to show biometric identity cards at checkpoints every time they moved in and out.

But the project was condemned not only by the Adhamiya residents, but also across Iraq's political leader-

ship -- from the Sunni-run Adhamiya District Council to the Imam of the suburb's Abu Hanifa mosque. Sheikh Samir al-Ubaidi, to Prime Minister Nouri Al-Maliki, leader of the Shia-dominated Iraqi government. Iraq's warring factions saw a future of partition and didn't like it.

On each side of the wall are elements of US foreign policy that extend far beyond Iraq. The most violent insurgents operating from inside Adhamiya draw their inspiration from the brutally-achieved 9/11 goals of Osama Bin Laden's Al Qaeda. The militia-controlled Shia areas outside have direct support from the Islamic government in Tehran, also no ally of the US.

America's long war against Islamic extremism will only end once those forces are no longer perceived as threats. How power is balanced between Iraq's rival communities and the factions within them will determine how quickly peace will come to the country and, possibly, to the wider Middle East.

But this balance may not be determined for months, or even years. So for the US to remain constructively involved, American leaders must

adopt a changed mindset.

First, they must rid themselves of the back-story of the invasion, its aftermath and the temptation to blame. Bloodletting between the Shia and Sunni communities probably would have happened whichever way Saddam Hussein was removed. He was too powerful and his institutions too biased, corrupt and inflexible to

have survived smooth transition.

Second, the next stage must be about Iraq and not America, although with a presidential election coming up, this might be asking the impossible.

The Middle East moves at an untidy pace, and American deadlines, too often dictated by the electoral cycle, can jeopardize the complex and textured deal-making that could bring a first uneasy peace.

The October 1st deadline set by the

Democrats to start troop withdrawal is based on a perception that US public opinion wants closure on Iraq, but ignores the truth that Iraq is now a quiet theater for Al-Qaeda-inspired operations. Bomb attacks that are still rare elsewhere in the world are daily occurrences here.

To learn from its past 9/11 mistakes, America must revert its focus-

functioning society.

Since the "surge" began in February, Shia clerics have ordered their militia to keep a low profile, while the wing of the Sunni insurgency led by Al Qaeda has upped the stakes with a devastating series of bombings. That in itself suggests endgame deals could be made with the Shia militia while with Al Qaeda

that would be unconscionable.

Into this comes an initiative to bring back into government senior members of the now-defunct Sunni Baath Party that before 1990 ran Saddam Hussein's institutions with a fair degree of efficiency.

While the Baathist and Al Qaeda insurgents have been working together, clashes have begun to break out between the two in Sunni strongholds such as Fallujah. It's hoped that with a voice in government, Baathist

fighters might turn against Al Qaeda to deny them safe-haven in Iraq.

That would leave the question of the Shia, who unlike the Sunni, have identifiable, albeit religiously motivated, leaders and a functioning UN-member state, Iran, as an ally.

If America wants to win the "long war," it cannot contemplate taking on Shia and Sunni extremists at the same

before when acting as midwife to the East Asian democracies, building a security umbrella against Soviet communism while those societies, particularly in South Korea and Taiwan, strengthened their institutions enough to emerge peacefully from their dictatorships. The process took almost 50 years.

For East Asia the result has been stability and economic growth, with Vietnam part of a global supply chain that Iraq and Iran might one day also join.

But if America now implements a deadline for an early Iraq withdrawal, it will have lost. Not only is the Al Qaeda-inspired insurgency on an upswing, but the United Nations also paints a picture of Iraq as a nation of extreme poverty that violates human rights. In its latest report, the UN talks of torture and detention without trial, while 54 percent of Iraqis live on less than a dollar a day and annual inflation runs at 70 percent.

With trust eroding in their new institutions, people find protection in the gunmen from their own communities. "Two Taliban snipers came to our neighborhood," explained a young Shia who scrapes a living as a

computer technician. "We asked the police to help and they did nothing. We asked the Americans and they did nothing. We asked the Mehdi Army and they came and killed them."

In the hunt for an acceptable end to the Iraq campaign, the US should take heed of a joke doing the round in Baghdad. "Be nice to the Americans or they will punish us with democracy."

Iraqis understand that whatever emerges here will not be a beacon of freedom. America has to accept that, too, and decide what level of non-democratic rule is acceptable. It will also have to create a relationship of détente with Iran in order to work with the majority Shia communities and their religious leaders.

None of that constitutes failure, because it would enable America to concentrate on the far more immediate challenge of defeating Al Qaeda.

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