

Only if politicians were angels ...

The leadership of the future must mature through an institutional process. That is why the local government institutions at the union, district and municipal levels need to be urgently revitalized, so that they can provide the schooling for our future leadership. A decentralized local government structure, therefore, becomes a prerequisite for mature, responsible, political development, and for good leadership to emerge from the grassroots.

KHALID SHAMS

BACK in 1965, while on training at Comilla Rural Academy, we met for the first time the charismatic Akhter Hameed Khan, the then vice-chairman of Kotwali Thana Central Co-operative Association. He founded the Comilla academy, initiated the present day integrated rural development program and the thana training and development centers.

As young civil servants, we gave vent to our angry feelings about rising corruption in Ayub Khan's military regime, specially following the dictator's amateurish experiment with basic democracy. Akhter Hameed Khan said something very pertinent. He said that politicians had to win the elections. Patronage and rosy promises were the only means by which they could get those votes in the short run, "you can't expect the politicians to be angels."

Politics, rampant corruption, and peddling power for raising campaign funds, have been endemic problems with most governments. One hears about massive corruption and abuse of power even in socialist countries like China, which features prominently in Amnesty International's reports for the largest number of public executions.

But the problem is recognized in China, unlike in Bangladesh, and severe penal actions are taken as deterrent measures. Surprisingly, even in the USA, as recently as in 1996, public debates have focused on the "soft money" that was contributed to the general campaign funds.

A survey showed that the majority of the American public thought that political systems were corrupt. In fact, as far back as 1901, President Teddy Roosevelt announced that his primary goal was to enact a campaign financing law.

While it was shocking for us to see the recent TV footage of stacks of currency notes being recovered from mattresses and a freezer of a senior forestry department official, which by no means is a unique event.

A CNN website recently revealed that US Federal agents

had searched the Capitol Hill office of a Louisiana congressman, investigating bribery charges. Interestingly enough, the agents found \$90,000 in cash last year in his Washington home, hidden away in a freezer.

I guess our friend in the forest department probably had the brainwave from the CNN! The opportunities for making a quick buck, that arise from exercise of political or official power, will always be there.

We don't deserve this degradation!

As the sordid details of the grossest forms of corrupt practices by political leaders, bureaucrats and businessmen at the top are unraveled, we can only ask ourselves, why did this happen to us? Why did we allow this crisis, which the sociologists would term as social "anomie," or collective suicide, to take place in the first instance?

It did not happen in one day; rather the crisis gradually engulfed us over the years, like the billowing smoke of a house on fire. All of us had seen the smoke signals clearly, but we did not see the impending devastation.

We had the dubious distinction of topping the list of the most corrupt nations under the regimes of both AL and BNP. But most certainly this nation, which had sacrificed so much for its liberation, did not deserve the degradation.

Bangladesh is after all a nation that was inspired by nationalistic, secular and progressive values arising out of a bloody war of independence. As I had stressed in one of my earlier writings, Bangladesh is probably the most homogeneous amongst the Asian nations. If you compare our situation with neighbours like India, Pakistan, Malaysia, or even a smaller country like Sri Lanka, the nation building tasks that faced our leaders were much simpler.

Religion will be an important social force for all the communities and ethnic groups; but what we needed foremost was enlightened leadership that could bring everyone -- including the small ethnic groups and religious minorities -- within the folds of an all-inclusive concept of nation-

hood.

Minorities in Bangladesh have been unfortunate victims of persecution and discrimination. With a genuine nationalistic platform, we could embrace them all as integral and constituent elements of our nation. We have to provide them with more equitable opportunities to develop themselves.

We also needed a straightforward vision for socio-economic development, focusing on quick alleviation of poverty and expansion of educational and health facilities for all citizens. Since the 90s there has been considerable progress on many fronts, with GDP growth picking up during the last decade.

But, at the same time, we have also witnessed, unfortunately, the total collapse of the governmental, social and political, institutions, which were responsible for nurturing, protecting and promoting democratic values and public morality.

Politics of confrontation, combined with a brazen lust for power for attainment of private gains, have destroyed our universities and educational institutions, the judiciary and the bureaucracy, all professional bodies, public enterprises and, finally, the political parties themselves, which were the mainstay of our parliamentary democracy.

A historic opportunity for political reforms

We have, right now, an unprecedented opportunity for reforming and redesigning our political and electoral systems. Bangladesh could be passing through the most exciting time since its independence; we seem to have arrived at a historic crossroads. What was our worst of times could also become our finest hour.

There is now a groundswell of public opinion, as well as a consensus amongst the top political leaders, that reforms within the parties must be carried out. Already, top leaders of BNP have announced an agenda of reforms, which will be placed before its council.

Similar reforms are being contemplated by the leadership within Awami League as well. The debate, ultimately, will involve not only the present caretaker gov-



ernment but also the general population, the civil society, political parties, the business community, the media, the armed forces, and the various interest groups, including non-government institutions.

No doubt the more articulate segment of the population, like the media, is likely to have a greater say in this process. Yet, for first time in the history of the country, large-scale institutional reforms are being publicly debated. This can ultimately lead to a national consensus regarding how best to ensure a more effective, more caring, and a more accountable system of governance.

There is an urgent need to reintroduce institutional checks and balances, whereby a strong, competent judiciary, the public accounts and finance committees of the Parliament, the Anti-corruption Commission, an independent Election Commission, can play their due roles. With reconstitution and revival of the Anti-Corruption Commission, Election Commission, Public Service Commission, the introduction of computerized voters' ID, and, now, the proposed reforms of the party system, Bangladesh would be embarking on the most remarkable and massive piece of social engineering in modern times.

Take preventive measures to fight corruption

The issue is, how do you deter corruption that has become so

rampant and pervasive in the country? The first step, which has already been taken by the government, was to reconstitute the Anti-Corruption Commission, which had been practically defunct during the previous regime.

While Bangladesh had the dubious distinction of being at the top of the list of corrupt countries, the revived and reinvigorated ACC has probably also created a world record, netting within a short time the largest number of top political leaders, businessmen and bureaucrats for their alleged corruption. The commission is apparently on the fast track to prosecute and punish those who are to be tried under due process by the special courts.

But corruption can be of various kinds, and can take place at various levels. One has to distinguish between political corruption by the top leaders, and the more pervasive common form of corruption within the bureaucracy. It is important to take measures not only to punish those who resort to corrupt practices, but, more importantly, also for their prevention in the future.

Pervasive corruption within the bureaucracy can be prevented only through appropriate administrative reforms. We need systemic changes within the government, which will eliminate



or reduce administrative red tape, procedural bottlenecks, and irrelevant government controls.

In other words, we have to reform administrative procedures, cut down government interventions, and deregulate government. We need to improve the transparency and accountability of government processes, especially where people turn to government offices to receive essential services. But such administrative reforms would be a more long-term exercise, and would have to be separately undertaken, on a continuing basis.

Immediate preventive measures are also needed if political corruption is to be curbed, and the nexus between abusive political power and need for party financing is to be effectively broken. While politicians in the past had also received financial support from businessmen, even during the British and then Pakistani times, it was always on a limited scale.

Private contributions were made to provide financial support to usually beleaguered politicians, and were truly personal contributions. Nor were there any allegations of extortion, which in recent times have invariably coincided with the big purchases or other financial deals.

It is interesting to see how the businessmen "lovingly" make

their contributions these days to respective party coffers, following each new contract for building a flyover, installing a power plant, or purchasing a navy frigate. Our public procurement procedures have to be made more transparent, and concerned agencies made accountable for all financial transactions, big or small.

But the priority right now is to boldly pursue a set of institutional reforms that directly aim at preventing abuse of political power. Altogether fresh regulations have to be framed to set new standards for party governance and conduct of elections. The political parties, the Election Commission, and the Anti-corruption Commission should deliberate on the new regulatory regime.

My suggestions would be, firstly, to treat the funds at the disposal of political parties as public funds, to ensure full transparency of all finances and compliance with general accounting standards of the country. Accounts should be regularly audited, and an annual report should be published. Secondly, procedures have to be prescribed for raising public funds, and setting limits to campaign contributions.

We need to remember that political parties, including the Awami League, had, in fact, started off with mere two area membership to encourage the

growth of a genuine popular base. A third area for regulation would be to limit campaign expenditures, which the Election Commission presumably is now actively considering.

Recently, a committee led by Mr.Motiul Islam and former Election Commission functionaries suggested guidelines for limiting campaign expenditures. In addition, there remains the question of providing government subsidy, or other support in kind, to recognized candidates to defray bonafide campaign expenses, which is a practice in many other countries.

Probably, the most important change has to be in the mindsets, in the attitudes, of political leaders themselves. They need not be angels, but they should be perceived by the general public as "good" people -- leaders who can set examples for others and motivate them to attain national goals.

We need not go very far, but look at the standard of living and quality of leadership provided by some of the top leaders of our neighbouring countries. It would be important for our parties to have a code of conduct that attaches the highest values to integrity, austerity, and public accountability. These were the qualities of our early leaders, who were known for their plain living and high thinking.

They became leaders not by virtue of their birth or because of their wealth -- Moulana Bhashani, AK Fazlul Huq, Sheikh Mujib, or Ziaur Rahman had not acquired any wealth because of their family connections, political power, or the great influence they exercised over the business people. They acquired the qualities of leadership over time, after considerable struggle, self-sacrifice and work with their local constituencies.

The leadership of the future must mature through an institutional process. That is why the local government institutions at the union, district and municipal levels need to be urgently revitalized, so that they can provide the schooling for our future leadership.

A decentralized local government structure, therefore, becomes a prerequisite for mature, responsible, political development, and for good leadership to emerge from the grassroots.

Khalid Shams is a former civil servant and Deputy Managing Director of Grameen Bank.

Plans to salvage Biman: A drift off-course

The current non-political government is in the best position to build a platform for the national carrier which can help it take to the skies in a manner bolder than ever before. The mad-rush to restructure the airline under the current plan will eventually take it nowhere better than where it is now. Let us not waste the opportunity we have in hand. Let us not drift off-course into nothingness.

IMRAN ASIF

WITH 10 days to go before Biman turns into a Public Limited Company, a high-powered inter-ministerial meeting was held on June 20, chaired by the Adviser for Civil Aviation and Tourism, Mr. M.A. Matin. According to the

reports published in a number of national dailies on June 21, the meeting confirmed that Biman Bangladesh Airlines would be renamed as Bangladesh Airlines Limited. It also confirmed a number of decisions which raised eyebrows, and quite understandably so, in search for answers that would make some

sense.

It hurts to keep the eyebrows raised for too long, so I will just ask the five questions I have and wish upon a star that someone answers them soon!

First, Biman is being restructured, and is being turned from a Corporation into a Public Limited Company without completion of a

full-fledged, comprehensive audit. This will invariably entail a long-enduring complication in the future, as the board of directors gets reconstituted, with a new set of objectives, and adopting a new pattern of management. How could the decision-makers sitting around the table overlook the cost of such a lapse?

Newspaper reports mentioned that, once restructured, the airline would begin from square one, and that the government of Bangladesh would take full responsibility of all its accumulated liabilities. Without a comprehensive audit, it will be impossible to ascertain the actual figure of the liabilities, and the actual value of the assets that will be transferred to the new entity.

Second, the new draft proposal suggested leaving 100% ownership of the airline with the government, until the time when the airline becomes profitable, when the government will offload 49% shares to the private sector. Firstly, as optimistic as I am, I am of the belief that it will be extremely difficult (read: impossible) for our government (political or otherwise) to ever make the airline "profitable." This is simply because our government, because of its own limitations, will not be able to ensure the level of efficiency, in the foreseeable future, that is required to run an airline profitably in today's world.

Secondly, even if we hypothetically assume that the government does indeed make the airline profitable at some point in time,

why would it then want to offload shares to the private sector? Why would the Government want to let go of what is making money for it?

Third, it has been reported that the government, while owning 100% shares of the airline, and promising to keep the airline's management free from being under control of the ministry, will appoint a reputable international airline to run the new national carrier as its "operator."

Now, without any stake in the airline's ownership, what will motivate the operator to truly do its best for the airline? This concept could actually encourage the operator to do its least for the betterment of the airline, if there is a way to indirectly benefit its own airline outfit. The whole scenario could be like appointing a fox to guard the poultry farm!

Fourth, according to a number of reports in the press and the electronic media, the much-talked-about Voluntary Retirement Scheme (VRS) had not encouraged enough "voluntary" response, and many of those who submitted their applications were actually forced to do so, under the threat that if they did not they would eventually be laid off, and would then be deprived of the benefits they are entitled to.

On another note, it has been reported that the Managing Director of Biman, Dr. MA Momen, has said that those who were "indispensable" for Biman would not be allowed to leave, even if they submitted their applications

under the VRS.

I fail to comprehend this double standard. If some people are not required at Biman, they can simply be handed over their benefits along with a polite letter of appreciation, and be compelled to accept the retirement.

And why should Biman hold back those whom it finds indispensable, even when the person voluntarily submits his application under VRS? His tendering of the application means that the person has lost his passion to work for Biman, for whatever reasons. And an employee who does not have the real passion to work for the airline should not be held back at all. An uninterested skilled employee would not be anything more than an unskilled employee.

Fifth, Mr. M.A. Matin also said after the meeting that 7 to 10 directors, selected from secretary-level government officials, will form the new board of directors of the airline. I would like to reiterate what I mentioned in my previous articles, with due respect to the secretary-level government officials, that managing and operating a commercial airline profitably has not ever been, and will not ever be, their game.

If the government truly wants to keep the airline free from government control, why is it intending to keep 100% ownership to itself, and form the board with government officials? Like I suggested through my earlier articles, the new board should have a maximum of 2 secretaries, one each

from the ministries of finance and civil aviation and tourism. Everyone else should be professionals from different sectors which are directly related to the airline business -- finance, travel, business, accounting, etc.

The World Bank is assisting with nearly Taka 300 crore for the golden handshake being executed in the form of VRS. This will help the airline streamline its manpower structure, which provides a great start. But it is the plan of action thereafter that lacks sense. Subject to scrutiny by more knowledgeable professionals from the airline industry, I have the following set of three suggestions:

- The government should move all accumulated liabilities of Biman into a block account, and sell 51% shares of the airline to the highest-bidding, and eligible, investor (eligibility would include having substantial airline operation experience).
- While selling off the 51% shares, and therefore allowing absolute legal control of management to the new investor, the government should also commit in advance that once it receives dividends (for its 49% stakeholding) equivalent to the amount of liabilities transferred to the block account, it would give away the remaining 49% shares to the investor as well.
- This way, the government would get the money back, and the investor would be motivated to maximize profits to allow it to buy out the remaining 49% stakeholding at the soonest.

- The government should amend the Air Service Agreements (ASA) with other countries, to allow the airline to operate more competitively. The airline should be entitled to preferential use of the ASA rights for a predefined stipulated period of time. This would ensure a failsafe, sustainable, business plan for the airline.

With this approach, the airline will be run by its own management, but the government would always have an indirect control over it, just like every other nation has over the airlines belonging to them.

While the government will earn dividends from its 49% stake holding, the Board of Directors will know what is going on. Even when the government sells its 49% shares, it will still be able to exercise a strong level of control through the Civil Aviation Authority of Bangladesh.

The current non-political government is in the best position to build a platform for the national carrier which can help it take to the skies in a manner bolder than ever before. The mad-rush to restructure the airline under the current plan will eventually take it nowhere better than where it is now. Let us not waste the opportunity we have in hand. Let us not drift off-course into nothingness.

The author is an aviation industry consultant.

