

Measuring corruption

Corruption is not as quantifiable as other economic variables like growth and inflation. Nor is it comparable to measuring weather, where simply numbers matter. An International Monetary Fund study (Mauro 1997) finds that most corruption is clandestine. Hence, measuring corruption is intricate work, if not impossible. Since a major part of corruption remains in the dark, relying on people's perception is highly effective in fathoming corruption.

BIRU PAKSHA PAUL

WHILE people perceive that there has been a reduction in corruption severity, the 2007 survey by Transparency International Bangladesh (TIB) claiming that there has been no decline in pervasive corruption has been disquieting to many. The watchdog is "disappointed" that it does not see any significant improvement in the corruption situation. TIB also claims that corruption severity under the caretaker government (CTG) remains unabated. I intend to address the disparity between the common perception and survey results.

Led by an eminent economist, TIB has high credibility in assessing corruption in Bangladesh. Its

latest finding has, however, demoralised the general public, who expected a significant decline in corruption following the takeover of the CTG. Why are the results of TIB's survey so discouraging? Does it not undermine the ongoing anti-corruption drive of the current government? Although these questions will be rather lengthy to answer, I feel impelled to point out some deficiencies in TIB's survey. Given the nature of the survey, I argue that TIB should be more cautious in defining corruption.

It appears to the public that TIB's survey thoroughly covers all aspects of corruption, while this is not the case. Top-level corruption, like international money laundering, embezzlement of funds in public projects, the selling of

national resources to foreigners, is unlikely to appear in household surveys. But only a few of these can outweigh the thousands of petty grafts that TIB can cover. Thus, consumer level surveys give only a partial picture of corruption since the whole concept of corruption is too diverse to grasp. TIB's survey can better be labeled as "the corruption victims in the service sectors of Bangladesh," hence removing the previous impression that the survey was focusing on the severity and intensity of all kinds of corruption in Bangladesh.

Corruption is not as quantifiable as other economic variables like growth and inflation. Nor is it comparable to measuring weather, where simply numbers matter. An International Monetary Fund

study (Mauro 1997) finds that most corruption is clandestine. Hence, measuring corruption is intricate work, if not impossible.

Since a major part of corruption remains in the dark, relying on people's perception is highly effective in fathoming corruption. Part of that perception could be guesses, but it should be educated guesses coming from the informed groups of society. Outlining target groups and weighing their observations more heavily than those of other peripheral groups is important.

There is no globally accepted framework for estimating corruption. As a result, numerous agencies come up with different survey methodologies to estimate corruption. The surveys for Corruption Perception Index (CPI), Control of Corruption Index (CCI), International Country Risk Guide (ICRG), and International Crime Victims (ICV) are noted for having examined corruption in different countries. However, since no survey is perfect, we should be open to all the available ones and combine them if necessary when commenting on overall corruption in a country.

TIB's survey is more number-based

than perceptive. Knowledgeable perception must come into play since most corruption is hidden. Here, TIB should run a complementary survey with more perceptive questionnaires. That way, the results would be more robust when quantity meets qualitative aspects.

Finally, TIB should compare and combine the results of the surveys to derive a clearer picture of corruption for Bangladesh. TIB's result, suggesting no decline in corruption, would have been different had it followed the combined approach discussed.

There are other reasons why TIB did not see any significant improvement in combating corruption under the current regime. On the first anniversary of this government, TIB chair Prof Muzaffer Ahmed commented (Daily Star: Jan 12): "Corruption can't be eradicated in a single day. The work has just begun. Some of those who once believed themselves untouchable are already apprehended." TIB's 2007 survey, ranging from July 2006 to June 2007, covers only the initial five months of the Fakhruddin govern-

ment. It took the government at least three months to settle down and brand its image as a corruption fighter. The strategic attack began by first targeting the top-level corrupt people. Corruption has a trickle-down effect, and so does fighting corruption. Hence, it is expected that a considerable amount of time is required before the bottom level people can experience a less corrupt regime.

Corruption in Bangladesh has been institutionalised through ages. As a saying goes: "The rotting of a fish starts from its head." The same is applicable to a society. A nation will be corrupt if its lawmakers and powerful parasites pollute the environment from the top. TIB's survey failed to capture the top. Corruption is mainly concentrated in public offices and controlled utilities, which market and competition cannot easily access.

It appears that most of the areas where the current government is working to combat corruption remain beyond TIB's coverage, both quantitatively and qualitatively. And this shortcoming proba-



Hand-cuffed by greed?

bly helped TIB to conclude that corruption severity remains unabated. It is, however, commonly believed that corruption severity under the present regime has not only decreased, but will also fall further if the subsequent governments continue to follow

the current agenda of punishing the corrupt.

Dr. Biru Paksha Paul is Assistant Professor of Economics at the State University of New York at Cortland. He is currently directing a project to construct a regime-wise corruption perception index for Bangladesh.

Declare oil a public good?

Hence, the main issue is bringing the oil trade into a level playing field. One of the most feasible solutions to the oil market volatility, therefore, seems to be its inclusion in the WTO regime. This could be established through trade diplomacy and not through legal means or through wars.

C.S. SUNDARESAN

THE inflationary pressure on the economies of the South Asian region is mounting with the spiraling oil prices and volatile oil markets. Governments are becoming unpopular for sustaining the regimes as the common people are affected by the ever-rising prices of essential consumption goods.

The global economy is being pulled into a recession, making the prospects of further growth and market orientation of development gloomy. The duty of leaders and organisations, therefore, is to identify ways and means to contain the uncertainties arising out of the volatile oil markets.

Thomas W. Evans, who served as advisor to the two great US republican presidents -- Ronald Reagan and George H.W. Bush -- recently stated the need to sue Opec for the current turmoil in the world. But it is not certain that this will succeed, as the market (capitalist) system offers freedom to the producers of goods and services to market them and maximise revenues, unless it is a public good.

Moreover, the transnational corporations of US or EU origin earlier controlled the oil markets, and they followed a practice of differential rent to maximise revenue. Fact of the matter is that for the western oil giants West Asia was a green pasture for oil revenue until Opec was created. The owners of the natural resource were empowered to decide on its extraction and marketing ever since.

Oil politics and market volatility
Oil prices are determined more on political and diplomatic grounds than market dynamics. It is not that Opec was always at the other side of the game. Rather, the political competition in the oil sector evolved a trend in the oil market, which still continues. In the mid-1980s, when the Opec share of world crude production fell to 11 million barrels a day, the organisation reacted with a U-turn in its price policy.

Instead of maintaining a reference or market price, it went into an aggressive price war. Saudi Arabia declared the first such price in 1985. As a result, oil prices crashed in the international market. In 1986, it touched \$12.2 a barrel, the lowest ever.

To save the situation, the independent oil producers sought collaboration with Opec. These mechanisms brought in some sort of a price control system. In February 1990, the Iraqi President, Saddam Hussain, asked his counterparts in Saudi Arabia and Kuwait to adjust their crude production to stabilise the market, leading to the invasion of Kuwait by Iraq in 1990.

In the same year, the UN Security Council approved a commercial, financial and military embargo on Iraq. The Iraqi government responded by declaring Kuwait as a province of Iraq. On November 29, the Security Council passed a resolution authorising the use of any means necessary to free Kuwait. A military force led by the US attacked Iraq to free Kuwait.

The war led to a clash in the oil market between the owners of the resources and the users in the industrialised world, paving way for oil politics in the global arena. The Bush administration's Energy Plan, published in February 1990, mentioned that the war did not bring any positive change in the country's economic life.

The world oil markets, however, gained a global political dimension. On April 23, 2002, the Iraqi president again called upon the Arab states to cut their oil exports by half and ban sales to the US, a retaliatory measure for Washington's support to Tel Aviv against Palestine. As part of a broader embargo against the US and Israel, Iraq unilaterally declared the suspension of its oil exports for 30 days. The oil market, drained of two-million barrels of Iraqi oil a day, may not have significantly affected prices, but it did create political tension that was



significant in an already vitiated atmosphere.

US antitrust law and Opec
The current trend of using US antitrust law to tame the oil markets again is viewed as another reflection of the political means to contain West Asian oil producers. Trusts and monopolies are concentrations of wealth in the hands of a few. Such conglomerations of economic resources are thought to be injurious to the public and to individuals because they minimise, if not obliterate, normal marketplace competition and yield undesirable price controls. These, in turn, cause markets to stagnate, and sap individual initiative.

Antitrust deals with the area of law concerned with maintaining competition in private markets. American antitrust and fair trade laws protect and promote competition in the free enterprise system. These laws provide remedies for businesses and consumers from the effects of monopolisation and conspiracy, fixed prices, boycotts, refusals to deal, divided markets, etc. The goal of the antitrust laws is to protect economic freedom and opportunity by promoting competition in the marketplace.

Free competition benefits consumers through lower prices, better quality, and greater choice. Competition provides businesses the opportunity to compete on price and quality, in an open market and on a level playing field, unhampered by anticompetitive restraints. The major federal antitrust law, the Sherman Act, was passed in 1890, and makes illegal

every contract, combination, or conspiracy, in the restraint of trade. Basically, the Sherman act prohibits monopolies.

The Clayton Act, which supplements the Sherman Act, prohibits mergers and acquisitions where the effect is to substantially lessen competition or create a monopoly. Each state has its own antitrust laws, but most are similar to federal versions. Antitrust lawyers represent companies on matters concerning government regulation of business, including price fixing and restraint of free trade.

It is, however, not clear how the US law will be applicable in the case of oil, as the supply demand situation determines the price of oil in the global market. If at all the price has to be eased, then the supply of oil has to be enhanced by the oil corporations or the governments of non-Opec oil producers.

There are also allegations that the spiraling oil prices in the global market are not solely out of the Opec quotas. Rather, once the Opec fixed its extraction quota, the non-Opec players in the oil market cut their output levels, which led to higher price realisation for them. Hence, the main issue is bringing the oil trade into a level playing field. One of the most feasible solutions to the oil market volatility, therefore, seems to be its inclusion in the WTO regime. This could be established through trade diplomacy and not through legal means or through wars.

C.S. Sunderasan is Professor of Economics at KIIT School of Rural Management, KIIT University, Bhubaneswar, India.

What are we doing about the threat?

Under the supervision of NASP, size estimation and mapping of IDUs and road/hotel/house-based sex workers have been conducted in 54 districts of the country. Under this program, relevant information and services will be provided to 10,000 IDUs through 70 drop-in centers, and to 25,000 sex workers through 100 drop-in centers.

SELIM JAHANGIR

FROM expert opinions and periodic survey reports of the National Aids/STD program of the government of Bangladesh, one can infer that it is quite serious and the facts deserve wider dissemination in society. It is often said that Bangladesh is sitting on a HIV time bomb that is ticking unheard in our midst.

Maybe it is ticking very slowly at the moment but no one knows what might go wrong and trigger an explosion someday, maybe not too far into the future. HIV/Aids experts have identified the tell-tale signs of the killer disease in many people in Bangladesh, and they are imparting the knowledge in very many ways and words.

We have to stop, listen, learn and take appropriate measures so that we can avert that explosion.

The tell-tale signs
According to the National Aids/STD Program (NASP), about 10.5% of injectable drug users in the capital city are afflicted with HIV/AIDS virus. Which means that among the 2000 drug users 200 are faced with the possibility of developing into Aids patients in future. Experts like Prof. Nazrul Islam have termed this "Concentrated Epidemic" in a small area. It might be concentrated in a small area but we are not feeling comfortable about it at all.

One research report of ICDDR,B says that the rate of infection of HIV among the injectable drug users (IDUs) across the country is less than 1%. In Dhaka the average HIV infection rate among IDUs is 7%. And the unnerving fact is, there are about 40,000 drug addicts in the country and many of them are turning to pushing drugs with syringe and needle used by many.

The fight against spread of HIV infection

Well, we have heard of the dangers, but what is being done to prevent the spread of HIV among the people of the country? It appears that there are some ongoing HIV/Aids prevention programs in the coun-

try that claim to have attained success in creating wider awareness among the common people, especially among the vulnerable groups, about the life-threatening aspects of HIV/Aids.

NASP is in the forefront in the battle against the disease, and is currently implementing the action plan known as National Strategic Plan for HIV/Aids, 2004-2010. The program is being implemented with financial aid from Geneva based Global Fund, launched in Bangladesh in 2004, through signing of an agreement between Save the Children-USA and the Ministry of Health and Family Welfare.

This financial support of Global Fund has proved to be crucial in our fight against the spread of HIV, and is providing medical service and other assistance to those already infected.

From NASP we learn that in a phase-wise financing, Global Fund has provided required funds for the implementation of Round-2 (2004-2009) to prevent HIV infection among the young people of Bangladesh, and Round-6 (2007-2012) to provide service and assistance to the high-risk population and vulnerable young people in order to prevent and control spread of HIV, and service to those already infected with HIV. For the implementation of these two projects, Save the Children-USA is working as a management agency with government organisations, 61 NGOs (national and international), and private sector and research organisations.

Under the supervision of NASP, size estimation and mapping of IDUs and road/hotel/house-based sex workers have been conducted in 54 districts of the country. Under this program, relevant information and services will be provided to 10,000 IDUs through 70 drop-in centers, and to 25,000 sex workers through 100 drop-in centers.

To battle the scourge of Aids, tuberculosis and malaria, an international endeavour was initiated in 2002 that came to be known as the Global Fund To Fight Aids, Tuberculosis and Malaria (GEATM) or Global Fund. The objectives of

Global Fund are to reduce poverty in the developing countries of the world through prevention and control of these diseases; to assist these countries in achieving the targets of the Millennium Development Goal - MDG-6; and to combat HIV/Aids, malaria and other diseases.

Bachtey holey jantey hobey

The slogan "bachtey holey jantey hobey" to create awareness about HIV/Aids has become quite a household slogan by now thanks to widespread media publicity. Since no treatment of Aids has yet been discovered, prevention is the only way to fight HIV infection. And getting correct information is essential for taking such preventive measures. This rationale worked behind NASP approving the slogan "bachtey holey jantey hobey."

What I find most interesting is that a full chapter on HIV/Aids has been included in the curriculum of SSC and HSC (from class 6 to 12) to create awareness among the young generation. According to NASP, this is for the first time in Asia that HIV/Aids related messages have been included in the English and Bengali textbooks from class VI to class XII.

Under this program, 44, 375 teachers of 8, 875 educational institutes have been given the required training. And under this program, a campaign titled "Religious leaders and HIV/Aids" is being conducted.

Youth-friendly health care

This is possibly the most important component among all the inter-

vention programs. A national benchmark for youth-friendly health care services has been agreed upon by the Ministry of Health and Family Welfare, Directorate of Health, Directorate of Family Planning, National Aids/STD Program, Civil Surgeons, World Health Organisation, and other experts to extend required services through 124 government, non-government and privately owned health care centers.

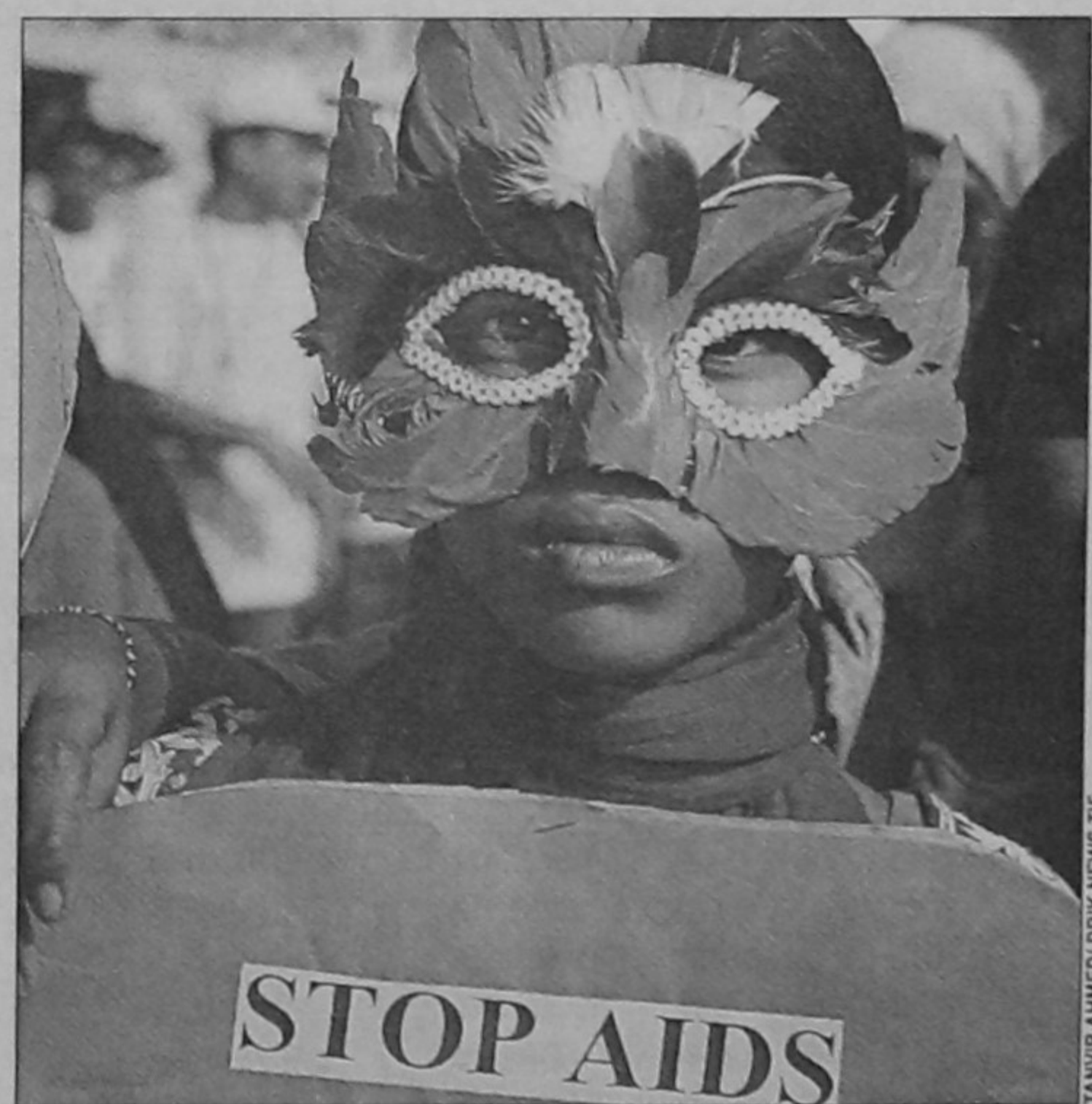
At the same time, a life skill learning program to prevent HIV/Aids is being carried out for nearly 100,000 young people through the youth clubs/organisations and NGOs enlisted with the Directorate of Youth.

It is said that because of the successful implementation of prevention and control of HIV/Aids with the financial aid from Global Fund, the knowledge of the people has increased, and they have become aware and understand the risk factors more. At the same time, the Aids stigma and discrimination has decreased significantly.

The rate of use of condoms among the high-risk groups has increased, and the rate of infection by STD has reduced. This program had contributed to the low prevalence of HIV infection in the past years. The programs will contribute to the efforts of achieving Millennium Development Goal-MDG-6: Combat HIV/Aids, malaria and other diseases.

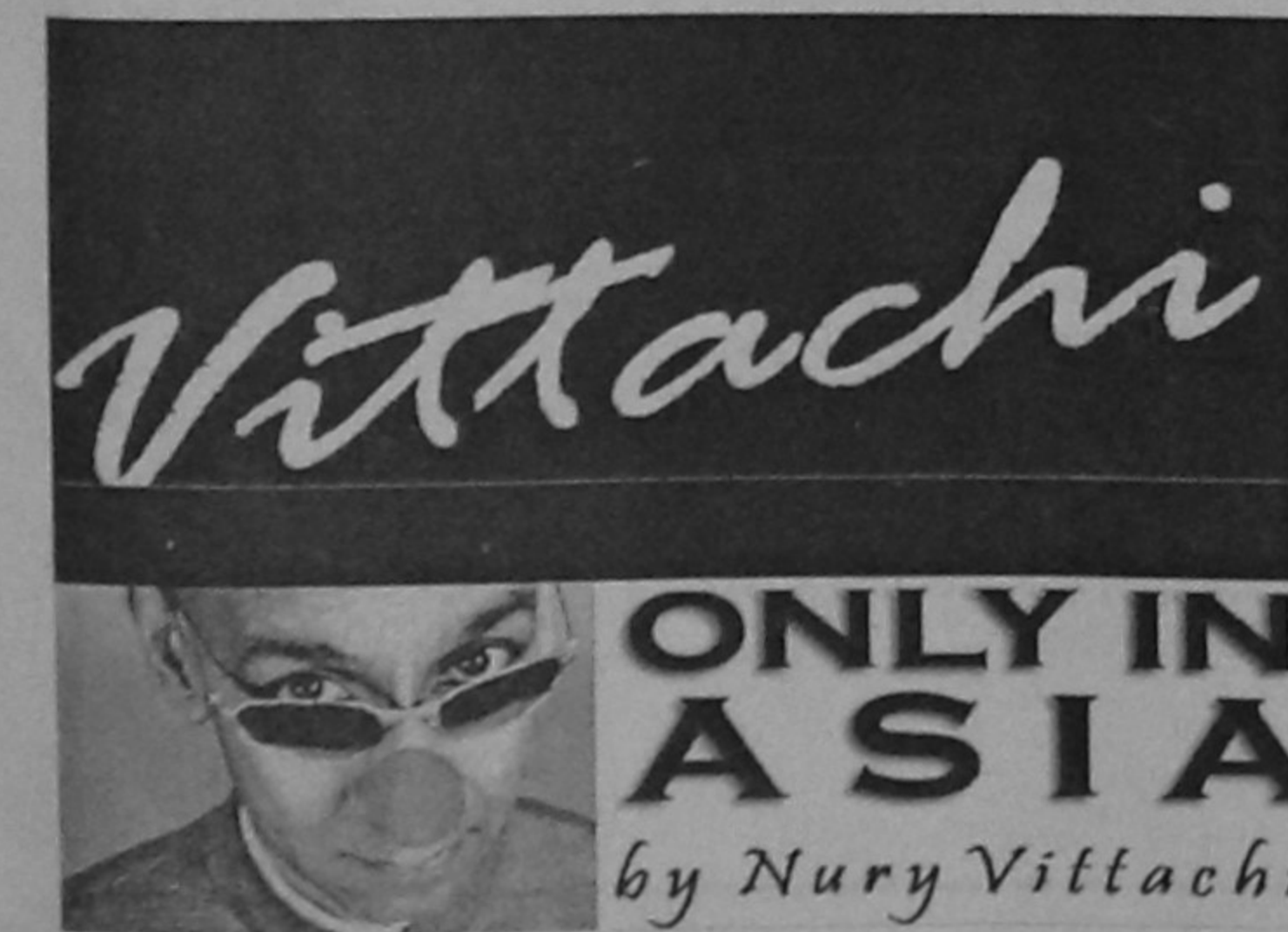
Visit our columnist's Barney-free website at www.vittachi.com.

Selim Jahangir is a freelance contributor to The Daily Star.



Bachtey holey jantey hobey.

How Bill Gates got into my home dressed as a dinosaur



MICROSOFT boss Bill Gates has just retired. The first thing he is going to do is sit on a huge pile of money, throw it up in the air and then roll around in it.

No, actually, that's what I would do if I were him. He's more laid back. He's going to have his two-hectare garden carpeted with hundred dollar bills, then have helicopters rain cash down, and THEN roll around in it.

What a story! A young nerd drops out of college, tinkers in his garage and single-handedly starts the personal computer revolution -- that's the tale of Bill Gates, also known as Steve Jobs.

Fans say Bill is a smart programmer who got rich from writing software. Industry insiders say he is a flesh-eating businessman who amassed a fortune adopting other people's products, and his charitable giveaways are the guilty return of a portion of his ill-gotten gains.

Hmm. Smart geek or feral businessman? Read the following and decide.

I am passionately opposed to getting children hooked on computers. But I came home from work one day some years ago to find my wife (she prefers the term "VP-Domestic") had got the children hooked on computers.

The infant prodigy, then aged

two, was installing a Microsoft game called Barney the Dinosaur.

After she inserted the disk, a dialogue box popped up which said the game would not work unless an internet connection program was installed as well. There was an "OK" button but no "Cancel" button. The toddler clicked it and kick-started a long era of Barney-worship in our household.

But after she went to bed I checked the computer. First, I found that the bit about Barney not working without an internet connection was wrong. The game had no on-line elements. Second, a new icon had appeared on our computer desktop. It said: "The Internet" and had a picture of a

globe on it. Internet Explorer, a Microsoft program strongly influenced by (in the journalistic sense of "ripped off from") the Netscape browser, had been smuggled on to our computer.

Microsoft was using toddlers to expand its empire. Is that hardball or what?

At about the same time, Bill Gates visited Asia and asked to meet respected, influential journalists here.

They couldn't find any. So he met me instead.

The meeting took place in his limousine. All my questions received monosyllabic answers. Gates is the sort of businessman

who wants to appear accessible, but is so careful that when you say "good morning," he thinks through the legal implications of all possible answers before answering with a slight nod of the head.

I did not raise the Barney issue since we were passing through a rough area and I wanted to get home alive.

So I tried a different line of questioning. "I hear your wife is pregnant. Are you nervous about being a dad?"

"How did you know?" He replied, his eyes widening. "Actually, I am a bit."

I suggested a name for his baby: "Windows99." He promised to

consider it. We abandoned the formal interview and chatted about fatherhood. He relaxed and became semi-human. I've now completely forgiven him for the using my kid as a smuggler. In fact, I'm thinking of sending his kids Barney the Dinosaur disk as a gift. (With a hidden program that reconfigures his computer as a MacBook.)

The photograph used in Point Counterpoint on July 8, 2008, for the article "Look within" was taken by Mohammad Moniruzzaman.