

## Bangladesh vision 2020

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SAMIR ASAF

THE National Strategy for Accelerated Poverty Reduction contains no long-range national vision for prosperity. Adopting a time-bound vision such as Malaysia's Vision 2020 or Kenya's Vision 2030 will be of practical value towards guiding national priorities.

Formulating this vision with public and private sector commitment, participation from civil society, and consensus from all political parties should be one of the priorities of the next government.

Bangladesh can become a middle-income nation by 2016 if it sustains high single-digit GDP growth for the next eight years. But our development performance during the past several decades has been less impressive than that of many of our Asian neighbours.

Although domestic savings in Bangladesh reached 29.2% in FY2008, productive investments have been limited to only a few sectors. Exports are not well diversified, the balance of payments remain dependent on remittances, household incomes have not risen significantly, poverty incidence has declined only slowly, and inequality remains high, which are constant reminders of the challenges Bangladesh faces in the new millennium.

Weak institutional capacity of the government is a result of decades of neglect of the civil administration. All branches of government are visibly out of tune.

Bangladesh is prone to natural disasters, for which relief is inadequate. Coverage and benefits of programs for social protection are also inadequate. The management of these social safety net

programs is not integrated under one ministry as it is in the Philippines.

The government's policy reforms over the past three decades, including market-oriented reforms of privatisation, deregulation, regulatory simplification, and export orientation have delivered positive results. However, declining foreign direct investment is a testament to the need for urgent reforms.

Development constraints include a tight fiscal situation, poor law and order, high corporate tax rates, poor tax administration, cumbersome business procedure, over-regulation, inadequate infrastructure in electricity and transport threatening industrial growth and total factor productivity; weak investor confidence due to governance concerns, in particular, corruption and political instability; access to land for industrial development, and inability to address market failures leading to a small and narrow industrial base.

Critical constraints to poverty reduction are inequitable access to development opportunities, education, health, access to justice, infrastructure, and productive assets; and inadequate social safety nets.

Many of these development constraints are interlinked. Improved infrastructure alone is not enough to lower the cost of doing business and to stimulate private investment. Better infrastructure has to be accompanied by improvements in investor confidence.

Some of the constraints are well recognised and have been the focus of the government's policy and reform agenda in recent years. More concerted efforts are needed to overcome them. Bangladesh's policy and structural reform is by no means complete, and more difficult

reforms are yet to be implemented.

The national vision needs to identify the most critical constraints that are being faced by the country. The next prime minister should personally lead this agenda through a high-level public-private forum. I propose a 10-point agenda for the next government.

### Formulate a national vision

Formation of a national committee to propose a national vision 2020 for accelerated poverty reduction and economic prosperity through inclusive growth, including a private sector development strategy. The national vision should be exhaustively debated and approved by the Parliament, and respective ministries should draw up their roadmaps until 2020 aligned with the aggregate national vision.

### Institute good governance

The government should form a high level committee for reform of the civil service administration. The parliament should reinstate the secretaries as chief executives of their respective ministries. The civil bureaucracy should be paid market based salaries, and trained at the world's finest institutions of public administration. Thus, the civil service will attract and retain the best talent.

Decentralisation of governance to the local level will foster expedited decision-making. The quality of public service delivery needs to be improved in the 40 key public-private interface points.

### Improve law and order

The GOB should increase its budgetary allocations to the Ministry of Law, Justice and Parliamentary Affairs to expand and improve the justice delivery capacity, quality and speed. The police force must be modernised for effective law enforcement.

Have an official agreement with the opposition party that all political dissent will be sorted out peacefully in the parliament, and no hartals or public disruption



Target: Mid-income country by 2020.

programs shall be undertaken.

### Accelerate infrastructure development

GOB must ensure infrastructure sufficiency in power, water, and transportation provision by 2012. A comprehensive infrastructure vision and roadmap for energy, telecommunications, transport, and human resource development is required.

While the public sector plays an important role in investing in infrastructure, the private sector should be a driving force of investment required for sustaining growth in the medium and long term. Chittagong should be developed as the most efficient port center in South Asia. Decongestion of Dhaka should be addressed. ADP implementation needs to be made effective.

### Institute fiscal and monetary prudence

Balance the national budget through fiscal reforms in tax administration and effective ministerial budgetary allocations. In the area of budgetary misallocation, for example, there should be a significant cut in the budgetary

allocation to the economically non-productive ministry of defense, which received a budget greater than the combined budget of 22 separate ministries in FY2008-09.

Losses of state owned enterprises should be cut. Prudent monetary policy and continued structural reform can reduce the risk of financial crises. Financial sector reform should continue; the country should progress toward greater sovereign and corporate access to international financial markets for both short and long-term capital.

Greater fiscal and monetary policy coordination is required, while fiscal discipline is maintained by limiting the dependence on financing the fiscal deficit from the banking system. Fiscal responsibility laws should be adopted to restrict the extent of debt monetisation.

### Enhance the business enabling environment

The business climate in the country should be more investor friendly. Regulatory simplification, streamlining of bureaucratic processes, provision of

adequate infrastructure, lowering the cost of doing business, broadening access to finance through development of the capital market, and improvement in the quality of government-business interface are key issues.

### Expand the industrial base

Facilitate the creation of 10-15 million jobs through the private sector during FY 2009-2011. Provide adequate support for entrepreneurship, agribusiness, manufacturing, and service sectors for greater diversification through innovation and risk-taking.

### Strengthen technical and higher education

Strengthen technical and higher education through aggressive budgetary allocations and capacity building of the ministries, and effective program management of the recommendations of the National Skills Development Council (NSDC).

### Make growth more inclusive

The GOB should focus on three pillars of inclusive growth, namely, maximising economic opportunities, ensuring equal access to economic opportunities, and ensuring economic well-being for all citizens.

### Institute policy reform and continuity

A comprehensive program is required to update all government policies in line with the national vision of becoming a progressive and prosperous economy. Policy continuity is required to generate investor confidence.

Many factors are at work in the growth and development process, but a long-range national vision will help guide Bangladesh towards prosperity. Concurrent reforms will help improve investor confidence, promote economic and social justice, raise the quality of governance, and deliver the prosperity we all seek.

Samir Asaf is a member of the BBBF.

## Flunking the intelligence test

On at least five occasions in the past nine months, terrorists have staged devastating strikes across the country. Even so, there has been little response beyond platitudes from politicians and well-publicised visits by government ministers -- always surrounded by heavy security cordons.

SUDIP MAZUMDAR

THE hostage takers in Mumbai didn't need to wonder how large an armed rescue team the Indian government was sending, or when to anticipate its arrival. They had only to click on the nearest TV set, and there was the federal home minister, Shivraj Patil, obliviously telling viewers that 200 commandos had taken off from New Delhi at 2:30 a.m.

Even after the aircraft landed in Mumbai, the gunmen had plenty of time to get ready as the troops were herded aboard buses to be hauled across the city.

The commandos reached the scene about 6:30 a.m. The battle would drag on for the next two days while the body count reached 195 before the last gunman went down.

Throughout India, people reacted the way Americans did after September 11: they demanded to know why their government had failed to protect them.

"Since November last year I have been drawing attention to the iceberg of jihadi terrorism," says B. Raman, a former top official at the Research and Analysis Wing (RAW). "The government of [Prime Minister] Manmohan Singh reacted to the repeated warning signals of the moving iceberg in the same way as the

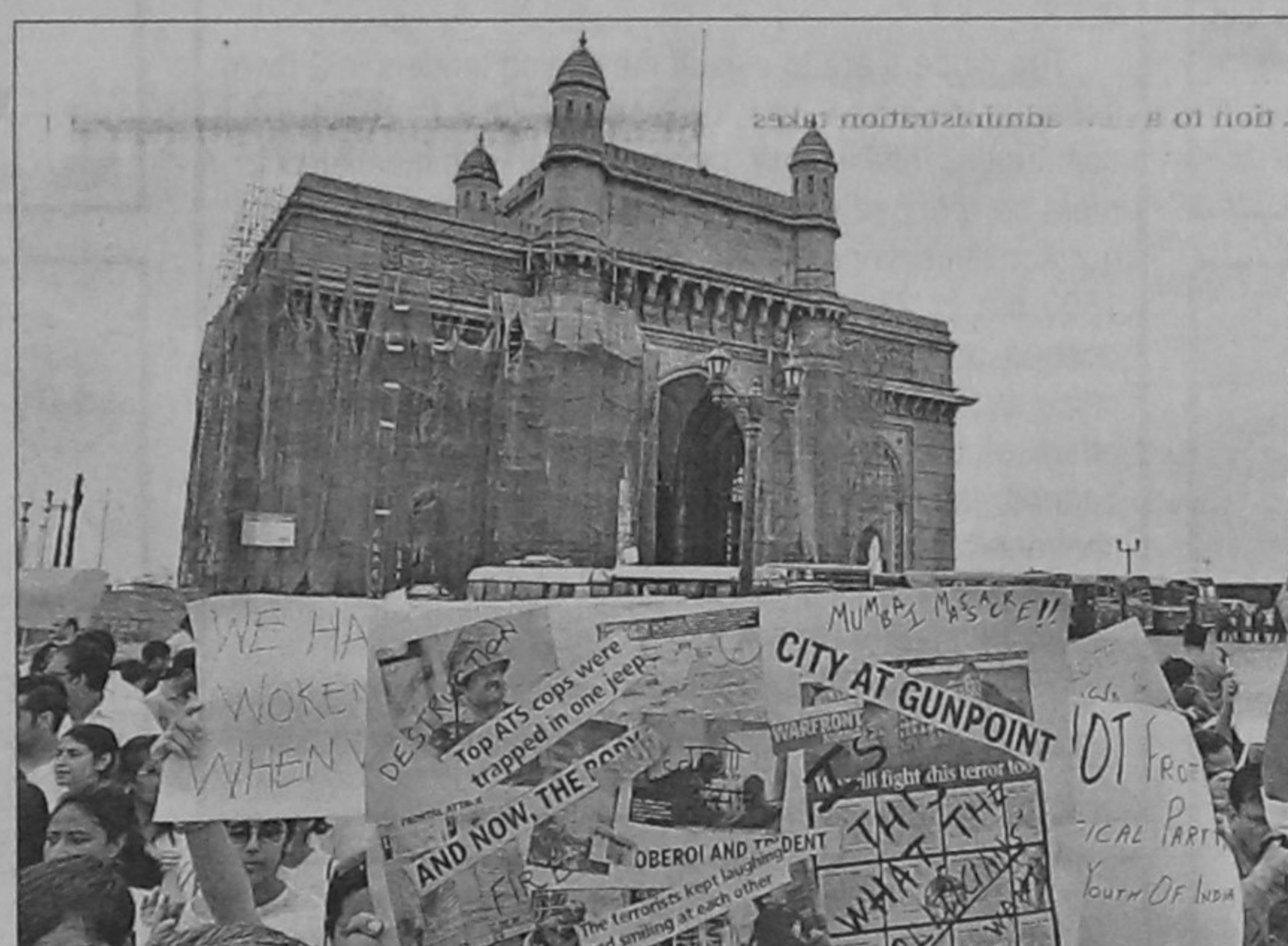
Bush administration reacted to reports about the plans of the al Qaeda for aviation terrorism in the US -- it just didn't react. It was in a denial mode."

Maybe that's why no one seems to have drawn up any guidelines for handling terrorist emergencies. Security professionals could only groan in frustration at Patil's televised lack of discretion. He has resigned, but he's hardly the only Indian official with a role in this bloody disaster.

The problem is systemic in India. "There is a frightening lack of strong and decisive political leadership in dealing with this menace," says Wilson John, a terrorism expert. "This incompetence and lethargy seeps all the way down to the level of beat constable."

About an hour before the shooting started, villagers on the shore in South Mumbai saw 10 young strangers climbing out of an inflatable raft. The incident was reported to local police, who did nothing.

The cops might have displayed more interest if their superiors had given them a heads-up. About four months ago, the president of the fishermen's union, Damodar Tandel, received a warning from a colleague in the coastal state of Gujarat: of the nearly 1,000 fishing boats that shuttle between Gujarat and Mumbai, some might be smuggling



Zero for the intelligence agencies.

munitions and plastic explosives into the city, the friend said.

Tandel relayed the message to the police chief in charge of Mumbai's port. The chief was asked about that letter during the terrorist siege. "It was just a general statement," he said. "There was no specific information."

That's the kind of thing that infuriates people like Ratan Tata. "It has become clear that we don't have a crisis infrastructure in place," he told reporters, as terrorists remained holed up inside the city's landmark Taj Mahal Palace and Tower hotel, which his company owns.

Proof of his complaint was all too evident after another gang-seized hostages at a hospital not far away. The state's antiterrorism chief and two other top police officials arrived with a posse

of cops, who were armed with antiquated 303 rifles.

Seemingly unaware of any danger, the three men stood unprotected on the firing line, where they were quickly mowed down by sudden bursts of automatic gunfire. Even then, intelligence sources say, the state government didn't seem to comprehend the magnitude of the attacks.

The state's chief minister delayed nearly two hours before requesting specialised assistance from New Delhi. "The militants know and exploit gaping holes in India's counter-terrorism architecture and strategy," says John.

Horrified police officers in Mumbai saw their vehicles hijacked by terrorists who showed intimate knowledge of the city's streets and the layouts of the huge

hotels they captured.

In contrast, the police displayed no familiarity with the layouts of those buildings. The commandos had to waste precious time getting hotel staff members to sketch out the layouts of their workplaces. "We've really not learnt the lessons," says M. N. Singh, a former Mumbai police commissioner.

Mumbai has a long record of massive terrorist attacks dating at least as far back as 1993, when a wave of bombings left roughly 250 dead and 700 others injured. Deadly incidents have recurred ever since, most notably in July 2006, when seven explosions tore through commuter trains at rush hour, killing 160 people and injuring more than 200.

On at least five occasions in the past nine months, terrorists have staged devastating strikes across the country. Even so, there has been little response beyond platitudes from politicians and well-publicised visits by government ministers -- always surrounded by heavy security cordons.

That's the standard pattern in India: an inept and callous political leadership and a cooed and corrupt bureaucracy take care of their own interests while ignoring the public's welfare.

In the past few years that decay has spread to the country's intelligence services, including RAW. "Ten years ago it was one of the best in the world," says a source close to the French security establishment.

That was before India's ruling parties started appointing top officials based on their political leanings rather than their intelligence credentials. People in the field saw a few serious professionals remain even now, like National Security Adviser M. K. Narayanan. "He's good," says this source. "But he doesn't have the power."

Not unlike America's agencies before September 11, India's many spy services are crippled by interagency rivalries and failure to communicate. One result is that although nearly 16,000 suspected Islamist militants were detained and interrogated between 1991 and 2006, most of that information has never been analysed and put to use by any central authority in order to prevent attacks. (Don't even ask about intelligence sharing with India's neighbour and fellow victim of Islamist terror, Pakistan.)

After the armed attack on India's Parliament Building in 2001, a Multi-Agency Center was created to oversee the country's counter-terrorism efforts and collate information gathered by an array of new state-level agencies.

Today, MAC consists of a tiny staff using a bare-bones computer system with no real-time links to state police or other intelligence sources. Only five of India's 35 states have done their part by setting up local agencies.

The latest rampage in Mumbai has prompted widespread demands for the country's politicians to do something about terrorism instead of just talking about it. "There must now be public pressure on them the way it was in the United States after 9/11," says intelligence expert B. Raman. "We must tell them they won't get votes if they bicker over terrorism and politicise it."

Indians are fed up. "If the politicians abrogate their duty once again, I am not saying the streets will burn," says Bollywood actor and activist Rahul Bose. "But Mumbai will be a very, very angry place."

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## Different trajectories

Pakistan is the world's sixth most populous country and the fourth-largest milk producer. It still clings to Churchillian ideas of putting milk into babies; it needs to emulate India's example of putting education into the minds of future Pakistanis.

F. S. AJAZUDDIN

WINSTON S. Churchill maintained in post-war Britain that there was no better investment for a country than to put milk into its babies. There was no better investment post-independence India could have made than to have put education into the minds of young Indians.

The pay-off has been the IT revolution and more recently the Chandrayaan-I rocket, sent by Indian scientists on

October 22 to scan the moon. It is India's vertical compliment to Christopher Columbus' horizontal attempt to map the route to India.

Nations that have watched the progress India has made to conquer illiteracy marvel at the strides each state has made to convert brains into minds. The earlier Christian missionary schools -- now Easter islands of Catholic statuary -- are marooned in India's Ocean of Learning. With literacy levels in Indian states ranging from 47% in over-populous Bihar to 91% in Kerala, literacy is no longer a target. It is as elemental as nature itself.

Education. It required a white president

of the United States to order the National Guard to escort nine black students into Little Rock High School, Arkansas. One of the students later had acid thrown in her eyes; another was expelled for throwing her school lunch -- a bowl of chillies -- at her tormentors.

This November, their prayers for deliverance were answered. A black President Barack H. Obama will occupy the White House. To integrationists, it is an overdue moral victory.

To unrepentant right-wingers in the US, the UK, France and in Germany, it is yet another affirmation of their blinkered conviction that if one has to import domestic help, don't let them live in, don't educate them, and don't -- even if they demand it -- give them the vote. Otherwise, you may end up, like some British politicians, having to canvass in Mirpur (Pakistan) to secure your seat in

the UK House of Commons.

In Pakistan, the likes of Jinnah (who incidentally was a distant relative through marriage of Dr. Homi Bhabha) and Dr. Abdus Salam are becoming increasingly difficult to find. The Constitution says one thing, each government does another.

Enrolment in both public and private institutions today is only 33 million, with another 19 million plus who do not or cannot enroll. The drop-out levels at primary level are 31%, and not more encouraging at higher levels. Pakistan's education budget for 2007-08 is the lowest, as a percentage of GDP, in Asia -- half that of Iran and two-thirds that of India, and of the total government budget has remained almost unchanged at 11.5% since 2000-01 (11.7%).

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to emulate India's example of putting education into the minds of future Pakistanis.

Some years ago, it was suggested that a Chair in Pakistan Studies should be established in an Indian university, and vice versa. The only stipulation was that the professor teaching Pakistani students should be an Indian, and again vice versa. That would provide pertinence to the scholastic interaction.

Sadly, the proposal was turned down, surprisingly not by Pakistan but by India. Would one of the 239 Indian universities now like to volunteer? Even the Sree Shankaracharya University of Sanskrit would be welcome. Who knows, a Pakistani could obtain a doctorate in Sanskrit even when more than 150 million of his compatriots cannot read a word of Hindi?

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