

Govt austerity measures welcome

The issue is making the whole administration cost-effective and efficient

THE decision to cut back on avoidable government expenditure is a timely one. But what is important is to see that the measures are put into effect on a sustained basis. It may not be out of place to mention that we have been witness to similar articulations in the past from governments assuming the reins of power but down the road the instructions were seen to lose much of its force and in the end to frizzle out. However, we would like to believe that, given the current global economic downturn whose effects we have already begun feeling, the government means business.

We would hope that the government will follow through with its plans, and oversight will be exercised at all levels of administration to ensure that the directives are followed in letter and spirit.

There are certain cogent issues that we would like to emphasise. The circular on austerity that is being issued is a short-term measure, sounding like palliative given the deeper anomalies besetting the system that require enduring answers.

There is the need to make the government offices cost-effective, and fully motivated and geared to delivering public service. Government jobs are not sinecures, nor are the offices meant to be decoration pieces. It is an irony that while we are overstaffed, with some department and agencies having bloated manpower, the administration, and consequently the state, has to suffer from the below par performance of these agencies.

We suggest that the government immediately start rationalising its manpower through a detailed HR planning and work study. In this regard we recall several studies by the World Bank on this subject, that should be reexamined at this stage. We feel that the problems of duplication of work and overlapping of functions between agencies as well as officials must be urgently addressed. We neither need an oversized administration nor an undersized one, what we need is a right-sized one. After all, getting the best out of government departments and employees is what good governance is all about.

Growing Taliban threat in Pakistan

A civic-military response should prove positive

THE Pakistan army has for the past few days been locked in fierce battle with the Taliban in Buner town just a hundred kilometers from Islamabad. The government's report that fourteen militants have been killed has now been followed by new reports of the Taliban kidnapping a number of Pakistani security personnel. The army claims that the Taliban have been holding residents of Buner hostage in their skirmishes with the soldiers. These images of a dangerously developing situation speak of the realities Pakistan is faced with today.

In recent times, two particular tendencies have been noted in Pakistan where its religious political elements are concerned. The first is the exploitation of religion as a way of making inroads into politics. It is a job these fundamentalist fringes appear to have done rather effectively. That has been followed (and this is the second tendency) by the new and strongly manifested desire of these elements to seize power through the barrel of the gun. Obviously, it is now a fraught situation that Pakistan confronts, a clear affront to democracy and highly destructive to the cause of democratic political liberalism. Just how ugly the face of religious extremism can be has now been exposed through the doings of the Taliban in Buner. It is now a condition of Pakistan beating the Taliban out of its territory or the Taliban gaining bigger swathes of territory and power in Pakistan. The latter happening, if it comes about, will destroy Pakistan, with wider ramifications for the entire region.

And yet out of the gloom comes encouraging news. Civic consciousness in Pakistan has now been aroused to a point where people have demanded that the army save the country from the looming threat of religious extremism. It may sound ironic, given that the army has been busy trying to stay away from politics. But the bigger reality is that in Pakistan's eerie circumstances today, a combination of civic and military responses to the Taliban is a positive development. If it proves effective, there will yet be light at the end of the tunnel for Pakistan.

Let the position be clear. While religion and all the freedom that comes with it must be defended to the hilt anywhere and everywhere, the exploitation of religion as a way of seizing political power and strangling citizens' normal flow of life and enjoyment of basic civic liberties is reprehensible and unacceptable. Which is why the Taliban must be resisted in Buner and everywhere else where it has crept in.

Whither shared austerity?

Why should the government brood over increasing the salaries of public servants when prices are falling over time? Why should ministers and MPs crave for nice cars when the public suffers due to poor transport? Shared austerity also means that our ministers and MPs lead the plain life of the commoners.

ABDUL BAYES

SHARED austerity, also known as belt tightening demands, has a long history in preach and in practice. During economic recession, governments attempt to economise the use of scarce resources by rationing demands.

No doubt, the world has witnessed enviable economic growth over the decades. But the recent global meltdown has already begun to threaten the socio-economic and political stability. Ipso facto bailing out has begun, demanding huge amount of resources from the exchequer.

Since there is, compellingly, a competing demand from various sectors, the crisis generated has forced governments to clip "unproductive" and "unnecessary" expenses.

We should recollect that shared austerity was also an appeal in our First Five Year Plan document (1973-78): "To accomplish the above objectives (planned development for growth with equality), it is essential that people have confidence in the integrity and the commitment of political leadership to translate word into deeds. Economic development in the context of acute poverty prevailing in Bangladesh requires sacrifices all around. This is particularly true for the elite so that the burden on those at the bottom does not appear to be intolerable."

Finance Minister A.M.A. Muhith has recently disclosed a plan to clip government spending for a while. The reason for the retrenchment is quite understandable: huge

requirements of resources in consort with the commitments of electricity generation, infrastructure building, farm subsidy, poverty alleviation, etc.

It is quite logical that a finance minister of a resource-poor country will look for avenues of clipping current or revenue expenditure to transfer the surplus to the productive sectors.

To this end, the plan of the government is to outsource class IV employees under revenue budget in posts falling vacant due to retirement or other reasons; to appoint for the time being any manpower up to 90% of vacant posts at all levels as austerity measures, limiting entertainment expenses and use of luxurious vehicles at all levels, etc.

When I was a student in Australia in the 1980s, I was told that the objective of the then Australian government would be to take all tough measures at the beginning of the tenure and to do just the reverse on the eve of the next election. Perhaps the assumption is that people tend to remember the most recent actions and forget the past sufferings. In a similar way, I would suggest that the government should take all stern measures against unproductive use of resources at the very outset of its tenure.

There is a serious misconception that curtailment of expenses, in terms of reducing new recruitments in government jobs, would have negative impact on public minds. Public services embrace only 20-25 lakhs against the total employment size of about 70 million!

What the government should do is facilitate private sector or self-employment



The rich must make some sacrifices so the lives of the poor are less unbearable.

generation by building necessary physical and human infrastructure so that more "green collar jobs" are created in place of white collar jobs.

Let us face a few hard facts: why should some departments of public universities recruit new faces when their existing staff are providing sacrosanct services to the private universities and almost on a full time basis? Till an enquiry is made to this end, recruitment in all the public universities should be banned for six months or so with the proviso that only new departments with low intakes should receive special treatments.

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However, the overall motto of shared austerity is to mop up savings required for investment to create employment. But,

besides the steps disclosed by the finance minister, a few more may be on board.

First, the government must ensure that savings emerge from the better targeting of social welfare programs, especially focusing on those who need them most. Second, loan providing agencies must impose a stronger requirement for a return on investment in the private sector to maximise the use of the scarce credit. Third, there should be a shift from universal to targeted benefits. Fourth, the projects in the ADP needs a cut-throat review to see that relatively less necessary projects wait on the wings to get approval later.

By and large, if the pains of adjustments are fairly shared across the private, public, and political sectors, the government would continue to get public support in this regard. That shared pain of the recession is at the pinnacle of the shared austerity package.

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The secret of his success

When Bill Clinton was elected in 1992, the Democratic base was 30% of the electorate; swing voters were 43% and Republicans 27%. Last year Democrats made up 41%; swing voters dropped to 32% and Republicans stayed put at 27%.

FAREED ZAKARIA

NO other American president has faced a learning curve as steep as the one Barack Obama has encountered. When he began his quest for the Democratic nomination three years ago, the Dow Jones industrial average was 14,000, and the world was in the midst of a great economic boom.

By the time he took office, America's economy was in its worst contraction since the Great Depression.

Yet, President Obama's first 100 days have been successful. The economy remains weak, but he has put forward a series of initiatives to stabilise the capital, proposed longer-term programs to create sustained growth, adjusted America's military priorities, and begun a process of changing America's image.

These are only overtures, and naturally much will depend on how things turn out. But so far, any president would be envious of Obama's accomplishments.

The real question is, why has Obama been so successful? Many commentators have

focused on his calm leadership style, his deliberative methods and his tight teamwork. But there is a larger explanation for the success so far. Obama understands that America in 2009 is in a very different place now. Polls say the country is more liberal than it was two decades ago.

Conservative commentators have made much of a recent Pew survey showing that public reaction to Obama has been more polarised than to any previous president: Democrats really like him, and Republicans really dislike him. But the striking statistic was how few Americans now self-identify as Republicans. Previously it has hovered around 24%, the lowest in three decades.

It's not so much that the Republican base has shrunk, as Emory University political scientist Alan Abramowitz points out in a recent essay: the Democratic base has expanded. When Bill Clinton was elected in 1992, the Democratic base was 30% of the electorate; swing voters were 43% and Republicans 27%. Last year Democrats made up 41%; swing voters dropped to 32% and Republicans stayed put at 27%.

Because party loyalties tend not to shift

quickly, an 11-point rise for the Democrats is astonishing. Abramowitz argues that since these changes are largely rooted in demography -- particularly the growing nonwhite population -- they are likely to persist for a while.

It's not only that Obama has inherited a more liberal country. He figured out how to utilise the moment. Rahm Emmanuel's aphorism, "Never let a crisis go to waste," has proved a brilliant political strategy. By combining short-term stimulus spending with long-term progressive projects, Obama has confounded the opposition. Sen. Judd Gregg was on CNBC last week trying to explain that while he fully supported government spending for 2009 and 2010 to jump-start the economy, his concerns were about 2011 and 2012. That's a pretty complicated case to make to the electorate.

Obama has not overinterpreted the moment. He has steered a careful middle course on the bank bailouts. The most spirited critiques of his policies have come not from the right but from the left: the clamor for nationalisation. He may or may not have the policy right, but he certainly has the politics right.

The country remains generally suspicious of big government and comfortable with free markets and private enterprise. The old Democratic hostility to big business doesn't resonate so strongly any more, since the new Democratic majority has fewer working-class whites and more college graduates.

Obama has handled the public's anger

well, giving voice to outrage but not enacting populist policies. He quietly announced last week that he will not reopen negotiations on the North American Free Trade Agreement to impose new labour and environmental standards.

On the torture memos, Obama has made clear that he does not want to criminalise a policy disagreement. On Iraq, he has hewed to a centrist course, but still one that draws down America's military presence there. On Cuba, Iran and Syria, his overtures have been modest and preliminary.

In almost every arena, he has pushed the envelope to change policy, not worrying about the inevitable opposition from the right, yet always in a sober and calculating manner.

Globalisation, immigration, more working women and college graduates all these have changed America over the past two decades. In a detailed study for the liberal think tank the Center for American Progress, Ruy Teixeira and John Halpin point out that 67% of Americans now think favorably of the term "progressive," a 25-point increase in five years.

This doesn't make us a European country - 67% also think favourably of the term "conservative" but it does suggest that things are changing. And Barack Obama's success derives from his understanding of this shift and his readiness to act on it.

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Tackling the power crisis

Sustainable energy availability is the vital component that will generate employment opportunities, assured food security, ensure trade diversification, and also provide better health, communication, and education facilities. We have a problem, but we also have answers.

MUHAMMAD ZAMIR

THE newly elected government continues to face a stern test in the manner in which it attempts to overcome the power deficit that is affecting not only the daily lives of the citizens but also economic development, trade, and prospects of food security.

In a recent meeting, the Ministry of Power and Energy has mentioned that power generation has declined this year because of gas shortage. It has been pointed out that the country generates an average of 3,300 plus MW. Of this, the capital is being provided with on an average about 1,185 MW against a current demand of about 2,200 MW. It has also been suggested that after May 15 (when the irrigation requirements will ease) there will be an addition of about 150 MW through better co-ordination between DPDC, DESCO and the REB.

The present government has reiterated more than once that they intend to overcome this power shortage. Unfortunately,

there have been some disappointing developments. The foremost among them is the anxiety over the depleting proven gas reserves. Two international companies involved with prospecting for gas and hydro-carbon have now informed the government that they are no longer interested in continuing their exploration rights due to lack of commercial viability.

Despite this downturn, the prime minister has been courageous. She has stated in parliament that her government will add about 2,135 MW to the national grid by 2014. This prospect envisions the production of power by independent power plants in, enhancement of production through overhauling existing power plants, and construction of new power plants.

We have to take all necessary steps to meet our growing power supply demand. There could be regional co-operation with Nepal, India, Bhutan, and Myanmar, as mentioned by the prime minister. This is, however, a complex area and will require negotiation and large capital investment. It

will also necessitate political give and take. Nothing in life is free. We have to be prepared for such adjustments.

It would, of course, be best if we discover more gas reserves. For this, we need to at the earliest complete the demarcation of our maritime boundary, and, in agreement with our neighbours, try to set up joint exploration and production sharing contracts.

We have to agree on a workable coal policy that will carefully choose the mining process, will be attractive to the prospective investors, be congenial to the environment, and compensatory for those who might be directly affected at the mining site. There has to be consensus between the various stakeholders.

After this comes other options related to renewable energy.

Generating hydro-power by utilising river currents and building low-height dams could be most useful as a format for generating power in different parts of the rural hinterland and also in meeting additional consumption in towns located near rivers.

Nuclear power can also help meet our long-term needs. It will be expensive but will pay for itself in the long term. We need to, however, be very careful about pursuing this method. It will take a lead-time of at least seven to eight years. There is also the question of having sufficient skilled manpower for maintenance and having an agreed safe method for storing and disposing of spent fissile fuel.

The last option is solar power and energy

derived from bio-gas. Solar panels are now being set up by Grameen Shakti throughout the country. The solar wafers originate mostly from China and Japan. It might be useful for the government to seriously examine whether we can start manufacturing the solar wafers and other photo-voltaic parts here in Bangladesh. We could be the hub for this purpose within our region. It will require capital and requisite technological know-how, but that could be obtained from multi-lateral institutions and replicated domestically.

Similarly, there could be widespread, sustainable use of bio-gas. It is already in use in some parts of Bangladesh for cooking and for some basic cottage industries. Efforts in this regard could be intensified and strengthened.

The country faces an awesome task ahead. We will require determination and resolve. I believe we can overcome our difficulties, given an open-minded, flexible, transparent, and accountable approach.

Sustainable energy availability is the vital component that will generate employment opportunities, assured food security, ensure trade diversification, and also provide better health, communication, and education facilities.

We have a problem, but we also have answers.

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