

A budget with many fronts

A test-case for implementation

THESE are our first impressions of the national budget 2009-10 etched in broad strokes to convey a sense of what the tenor and temper of the document are all about. More comprehensive and in-depth analysis of the budget with specific comments on its major aspects and directional thrusts will follow in the days to come.

By the admission of the vibrant and profusely experienced presenter, Finance Minister AMA Muhith, the budget is expansionary and ambitious. One can, however, see reasons for a large budget with revenue and development components easily out-stripping anything we have known in this country. Two factors made the budget of the size it is: the high expectations of a welfare-orientation to the economy raised by the electoral manifesto of the AL government and the fallout of the global financial meltdown, the worse part of which being on the cards for the next six months.

The first agenda adopted by the AL-led Mohajote government was to stabilise prices of essentials at a tolerable level. The rate of inflation dropped from around 9 percent to 5.5 percent in April; it is estimated that point-to-point inflation will stabilise at around 7 percent during the new fiscal year. Food prices may have dropped but non-food prices have not. In fact, many a consumer item is now to cost more, the scope of taxation having been enlarged. Food security has received due attention.

Agriculture, pro-agriculture activities, agri-processing, small and cottage industries have been given utmost priority.

Subsidies to agriculture will come down from Tk 4285 crore to Tk 3600 crore thanks to falling international prices. The budgetary deficit will be around 5 percent of the GDP of which 2 percent is to come from external sources and 3 percent from internal sources.

A heavy reliance is placed on private-public participation. The idea boils down to utilising idle money of the broad private sector basically in big infrastructure building projects. But potential private sector partners will look for good return on their money in a free market paradigm, a prospect that massive infrastructure building undertakings may not offer in immediate terms.

Some innovation has been shown in terms of taxation like anybody owning car must have a TIN number. But there are inequities in tax that honest businessmen have to pay while people with unearned incomes declaring themselves enjoy a rebate. Actually, the budget is silent over AL's promised crusade against corruption.

On power and energy, whereas the AL manifesto had aimed at generating 5000 megawatt of electricity by 2011 it has now been scaled down to 3000 megawatt by 2014. And annual target is put at 700 megawatt.

The allocation under social security head of the revenue budget is 15.2 percent and the allocations to human resource development and employment generation are way above those we have known so far. The gender balance in allocation is a definite improvement in the public expenditure pattern.

That no industry will be privatised without ensuring employment to the retrenched is good thinking.

The projects envisaged for one-stop health service to the retarded and the concern shown to acid victims is highly welcome. The deference shown to lifting the lot of minorities and indigenous community is another bright feature of the budget.

The budget is multi-faceted with a diversity of features; the big question now is: how far the institutional capacities will be in place and how much of party commitment and honesty will be brought to bear on the implementation process?

Withdrawal of 'politically motivated' cases

The move looks too politically convenient

WE are concerned at the government decision to recommend the withdrawal of 62 so-called politically motivated cases filed against Awami League leaders during the times of both the BNP-Jamaat government and the Fakhruddin Ahmed caretaker administration. By labeling these cases as politically motivated and thereby moving to exonerate the individuals involved in them demonstrates a disturbing lack of transparency. While we do not presume that everyone against whom cases were filed is guilty, we cannot also suggest that none of these individuals are innocent of the charges filed against them. Making matters even more disturbing is the fact that a good number of these individuals have already been convicted of offences ranging from corruption to tax evasion. Besides, there are yet cases that are ongoing and about which one cannot make any judgement at this stage.

Considering the issue in an overall manner, one can with justification point out that the very process by which the cases are being withdrawn is questionable. A clearly unabashed political approach has been adopted towards dealing with what is fundamentally a legal matter. Regrettably, we have seen on a fairly regular basis that every time a new government takes over, it goes for sweeping action in withdrawing cases filed against its leading figures by its predecessor regime. Thus a bad precedent has been set and it is one that is unlikely to go away any time soon, given this latest development. However, where a withdrawal of the cases in question is concerned, a glaring reality here is that a large number of these cases were filed (and this was for the first time in the nation's history) by the Anti-Corruption Commission. The ACC initiated criminal proceedings against a number of individuals, with the result that a good number of those charged with corruption were eventually convicted of the crime. That being the truth, it is now only reasonable to ask as to how such convictions will be overturned or reviewed without judicial action coming into the process.

The government says all these cases had been filed with political motives. But there could be the other side of the argument as well. What happens if its detractors proclaim loudly that now these cases are being withdrawn because it is being guided by partisan political motives? Doing away with cases and convictions through political decisions and administrative fiat cannot but be self-defeating.

Since the ACC and, in the matter of convictions, the judiciary have been involved, the government should make references to them rather than act arbitrarily on its own. If, however, the government goes ahead with its plans, the action will not only be repugnant to the rule of law but will also set a dangerous precedent for the future.

The devil is in implementation

The government has to do considerable amount of work in bringing back people's faith in our judicial system. At least this was part of this government's election promises. The ripple effect of this lack of confidence is reflected in the economy through buoyancy and morale of businesses, investors, and the citizenry at large.

ASIF SALEH

THE 2009-10 budget has been announced amid much fanfare. Thanks to the media and initiatives from various business groups, wide scale pre-budget aspirations of people received much air time. The reality, though, is that even the best of budgets and policy initiatives can fail due to issues beyond the control of the finance minister. The devil will not be in the details, but in implementation. So it's important to get the potential road-blocks identified.

Order, order, order

The government has to do considerable amount of work in bringing back people's faith in our judicial system. At least this was part of this government's election promises. The ripple effect of this lack of confidence is reflected in the economy through buoyancy and morale of businesses, investors, and the citizenry at large.

Citizens who feel "there is no justice" and feel insecure in the country will naturally be hesitant in saving or turning the savings into investment. Our domestic saving has been stagnant at around 20% of

GDP during the last five years while total investment slowed down marginally.

When both local and foreign businesses express that there is no legal infrastructure to support the investment they make in this country, promoting the proposed public-private partnership will be even harder.

Notwithstanding the government's general positive approval ratings, it is getting failing grades in maintaining law and order. Given the dismal 2001 election performance which was squarely blamed on degrading law and order situation, the AL should not need a reminder that even the best budget in the world will not mean much unless the trend is reversed on law and order.

Demystifying amlatontro

To implement the proposals of the announced budget, the role of an efficient bureaucracy is undeniable. So the relationship and understanding between the political leadership (who makes the budget) and the public servants (who implement it) has to improve. And a guaranteed way to jeopardise the relationship is to appoint and promote on the basis of party loyalty rather than qualification.

It's not enough to just criticize the present status quo as inefficient and corrupt, as the finance minister did a few weeks ago in a pre-budget meeting. Rather one should also recognise that the kind of "people-oriented" public service that Mr. Muhith wants to see has hardly been rewarded by various past governments. Should this government also decide to award high level government posts (both in bureaucracy and in semi-government institutions) as political patronage and cast a blind eye towards efficiency and competence, disenchantment is bound to spread.

Decentralisation

In the election manifesto, the AL promised to make each union the hub of development and administration and each upazila the centre of industrial growth. However, the recent changes giving MPs the power to vet each decision made by locally elected leaders are directly contrary to the spirit of the manifesto pledges. At the least, they are bound to create conflicts, and such conflicts may well doom any development effort.

Understandably, the MPs want some financial muscle to show their clout. But it should not be done through curtailing the local leader's power but through creating a transparent legal framework where an MP can have jurisdiction over allocation over some funds in his/her constituency. The social safety net programs announced in the budget for rural and agricultural development and for the creation of new jobs at the local level will not be successful without strong local leadership.

Decentralised industrial growth

Similar to development, the focus towards

industrial growth needs to be decentralised as well. It needs to focus on creating special economic zones outside Dhaka. There is also a false sense of satisfaction into thinking that by removing the barriers of access to finance, local small and medium industries will thrive. Without the infrastructure, access to markets, focused market oriented approach and some level of hand holding, the small and medium sector industries in various sectors will not be able to realise its full potential.

Regulatory reform

Significant policy reform is needed in our regulatory framework to implement most of the proposals made in yesterday's budget. While the business lobby group managed to get some of their recommendations through the Better Business Forum, voices of the small and local entrepreneurs remains mostly unheard. The development projects of the budget will do little to reduce poverty and inequality in the society if the regulatory reform of land, judiciary and administration remains unresolved.

While having a development budget supported by the political will is important, it is equally important to identify the institutional bottlenecks and impediments that will make it difficult to implement these budget proposals. We hope this year's budget will be complemented with subsequent initiatives to remove these obstacles.

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Vitamin A pills in the dock

A child or an infant needs vitamin A because severe vitamin A deficiency causes blindness, even paralysis and death. It also impairs immunity. Many infants suffer a lot from worms that cause pain, ulcer, fever and deformities.

MD. SHAIRUL MASHREQUE

HEALTH for the children is a part of overall public health care system. Three major institutions -- the bureaucracy, NGOs and private entrepreneurs are involved in implementation of health related policies and programs. Besides, a score of international agencies operate health care programs for mothers and children under family welfare. All such concerned agencies are fully committed to the UN convention on the rights of the child.

This convention is a universally agreed standard for the care and protection of the child. All ratifying countries, including Bangladesh, are committed to reducing infant and child mortality and combating disease and malnutrition. All the nations of the world are supposed to make sure that all children have access to health care facilities.

Despite global concerns about reducing child mortality, as reflected in one of the objectives of the Millennium Development Goals (MDG), children in

developing countries, including Bangladesh, continue to be malnourished and plagued by preventable diseases, and are even denied health security and safety. Poor governance on the part of the bureaucracy is responsible for the poor state of child health. More terrible is the lack of efficient monitoring and evaluation of the child related health policies under implementation.

Preventive health related shocks arising out of vitamin A and anti-worm medicine campaign are an eye opener. In the 1980's, medical scientists ignored evidence that vitamin A could reduce child deaths by between a quarter and a third in many developing countries. This scepticism has been swept away by "an avalanche of data." Most countries in the developing world are now moving to make this most cost effective health intervention available to their children.

Lately, the reaction to vitamin A capsules and de-worming tablets has taken a heavy toll. About 400 children who were provided with vitamin A capsules and de-

worming tablets were taken to different hospitals and clinics because of diarrhoea. Two children -- a six year old and an eleven year old -- succumbed to such diseases after taking vitamin A capsules and de-worming tablets, their parents claimed. This a fearful situation, going to such an extent that parents do not want their infants to take vitamin A capsules and de-worming pills. The vitamin A campaign as such has become undone, and the worried mothers have become sceptical and seized by panic.

This disaster has opened a Pandora's Box of questions about the commitment of the dispensing authorities and international agencies sponsoring vitamin A policy advocacy campaigning across the country. A child or an infant needs vitamin A because severe vitamin A deficiency causes blindness, even paralysis and death. It also impairs immunity. Many infants suffer a lot from worms that cause pain, ulcer, fever and deformities.

Brushing aside mass phobia and scepticism, international agencies like WHO and Unicef advocated vitamin A campaign along with de-worming programs. The Unicef communication chief seems to uphold the quality of the capsules and tablets, which are rigorously controlled and supplied by this agency. The concerned authorities in Bangladesh claimed that there were no incidents of deaths as

there were no side effects of vitamin A capsules and de-worming tablets. Many medical practitioners thought that several thousand children suffering from diarrhoea in the summer was a mere coincidence.

Notwithstanding all such declamation in self-defense, the campaign for vitamin A is in jeopardy. Only forming a probe body as a conventional institutional response is eyewash. The government, NGOs and international agencies cannot afford to disclaim their respective obligations and commitments. They ought to review their child health interventions. An enquiry committee should investigate the matter properly to bring the culprits to book and to see whether there was any sabotage to undo the supply line. It should try to see if there was any inefficiency and corruption in the distribution process.

The international agencies sponsoring the vitamin A campaign may well be advised to review intervention considering the time and suitability to a tropical climate. The news that many primary school going children are falling sick after eating biscuits distributed by international agencies is mind boggling. All the actions of the concerned agencies must be aimed at confidence building among the masses, dispelling all doubts and scepticism.

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Poised for change

All these combined factors present a congenial political ambience in the region of nearly 1.5 billion people, and it now depends on the political leadership of all these countries to bring about the much cherished socio-economic development nationally as well as on a regional scale.

ZAGLUL AHMED CHOWDHURY

BECAUSE of a variety of developments the overall political climate in the South Asian region now appears better compared to any other time in the last many years, and this relatively healthy situation provides an opportunity for the regional nations to improve their bilateral ties on the one hand and advance collective benefits on the other. Almost all the countries share this encouraging condition, which may lead to a more peaceful and cooperative South Asia.

On the political front, most of the eight countries in the area witnessed credible national elections, which, in almost all the cases, carry special significance against the extraordinary backgrounds of those nations. In fact, in some cases, the polls have been so meaningful that their impact goes much beyond the normal interest in the voting.

Some of these countries became democratic not too long ago, elections in some were the cynosure of all eyes, and some have overcome serious internal problems

to bring their nation back to normality. All these augur well for a region whose general political environment is characterised by differences, acrimony and belligerence. All these developments took place in the recent past and indicate the individual and collective stability of the countries -- raising the hope that this better climate can be utilised for the progress of the region.

Pakistan held national elections early last year that brought in a democratic government after nine years. It may be true that the nation has not been blessed with a stable government since the verdict in favour of the winner was not a very decisive one. But the country has reverted to the democratic system.

Nepal, the landlocked Himalayan nation, was of interest and curiosity for many in and outside the region as it was the centre of glorious developments following a phase of mayhem and violence. A commendable election for a constituent assembly for drafting a new constitution brought the ultra-left Maoists to power with the promise of revolutionary changes, including abolition of the mon-

archy and turning the Hindu kingdom into a secular republic.

Indeed, it was a great moment for the nation that was crippled by political instability and Maoist armed insurgency. The process also brought the radicals, now known as the Communist Party of Nepal (Maoist), to the helm of governance. However, they could not last for more than eight months because they were at loggerheads with other political parties centring vexing matters -- highlighted by the dismissal of the army chief by the Maoist government, which was overruled by country's president. The government quit, paving the way for a new government led by a moderate communist veteran. Even though the Maoists have threatened agitation unless the government's decision on the sacking of the army chief is upheld, Nepal is certainly a democracy now.

The small Indian Ocean island state of Maldives saw its first multi-party elections that ended the undemocratic rule by a person for 32 years -- which had made him the longest serving Asian ruler. The taste of democracy for the Maldivians is really something unique and the nation -- quite advanced educationally and culturally -- is now marching ahead. Another tiny country -- the Himalayan kingdom of Bhutan -- is also appreciably moving towards representative rule as the king himself is eagerly slackening his grip on power. A parliamentary election also took place.

At the bag end of last year, the much-

awaited national elections were held in Bangladesh, belying all skepticism and setting at rest many speculations that were galore even a few days before the balloting. The caretaker government must be credited for organising a credible election. This has also brought in a stable government with a big mandate.

Last but not the least, the world's largest democracy and the biggest of the regional countries, India, went to polls a few weeks ago and the outcome gave the nation a stable and secular government. But the importance lies in the fact that the government has returned with a much bigger mandate, which will remove the specter of instability that had haunted the previous government.

Afghanistan is bracing for elections in August this year. The bloody civil war has ended in war-ravaged Sri Lanka after nearly three decades. This will allow the country to work towards national and regional progress.

The governments in South Asia are now representative in character also secular in nature. Some of the parties in power also enjoy rapport with party at the helm in other countries. All these combined factors present a congenial political ambience in the region of nearly 1.5 billion people, and it now depends on the political leadership of all these countries to bring about the much cherished socio-economic development nationally as well as on a regional scale.

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