

## Anti corruption drive: The other dimension

We are in a mess because institutions have not been allowed to flower. The myopia of our public leaders has to take a large part of the blame. Corruption has not been condemned in a forthright manner and as such we do not see meaningful resistance to the malaise from within the society.

MUHAMMAD NURUL HUDA

GOING by media reports it would appear that there is worrying dissatisfaction and apparent discomfiture in high places about the nearly stalled anti-corruption drive. Reportedly, a large number of criminal cases lodged in 2007 and 2008 would fall through on account of technical flaws that should have been taken note of at appropriate time. At higher policy making level in the government, there is a concern that many heavy weights that amassed huge wealth in questionable manner would be able to break the legal net.

For concerned citizens and conscientious taxpayers there are many queries that continue to remain unanswered. The first question would centre on the excessive preoccupation with the publicity glare of the anti-corruption drive that perhaps accounted for the failure to take note of the legal and procedural requirements while issuing notices to the defendants. The ACC alone would be responsible if persons not empowered to issue notices have done so, as alleged and thus procedurally prejudicing the cases. The specific question is, did the ACC fail to get the best available legal advice?

The aspect of receiving competent legal advice assumes special significance in

view of the serious allegation that ACC has spent money worth crores as fees for a host of legal experts while investigating and prosecuting the cases. Shall one assume that there was not much application of mind and scrutiny during the selection of legal counsels for the ACC? There is no harm in paying large sums to competent lawyers because the standard fees for prosecution lawyers in the country are ludicrously low to warrant the services of worthy legal minds. The issue, however, is one of appointing proper lawyers after due diligence. The public need to know if that was done.

It would appear to a discerning eye that the much trumpeted anti-corruption drive amounted to more of an event than actually a process and consequently ground realities and built-in limitations were lost sight of. While not underplaying the public's right to be informed of the malfeasance of public figures and the special significance of media coverage of the indiscretions of the high and mighty, it needs to be emphasized that the establishment until end 2006 hardly displayed any real political will to combat the menace of corruption.

Coming to the element of above mentioned political will one may remember the slipshod manner and the dilly dallying which the first ACC resorted to in conduct-

ing its business during the political government's incumbency. It would not be an exaggeration to say that despite the goading of Asian Development Bank (ADB) the then ACC was a limping geriatric outfit that failed to find its feet till the abdication of offices by supposedly responsible persons.

Without doubts the alleged absence of political will to fight corruption in the not-too-distant past had its deleterious impact on the institutional capacity of the graft fighting body. Its much sought functional independence away from the chief executive's office, that too only on paper, came after prolonged efforts. Placing such a sensitive organization into the right gear and providing its personnel with the appropriate skills could not be accomplished in months. When the organization itself was in lackadaisical state for a painfully long time, how its personnel could be sensitized about the mission? Add to that the lack of whereabouts of an investigative body.

One would do well to remember that the ACC had to operate in a less than friendly environment wherein suspected or colluding functionaries of the government did not proactively provide the documents and information that were so vital to effectively prosecute the corrupt. It was no wonder, therefore, that the ACC had to lean heavily on the national board of revenue to locate tax irregularities of the influential that normally did not constitute a criminal offence.

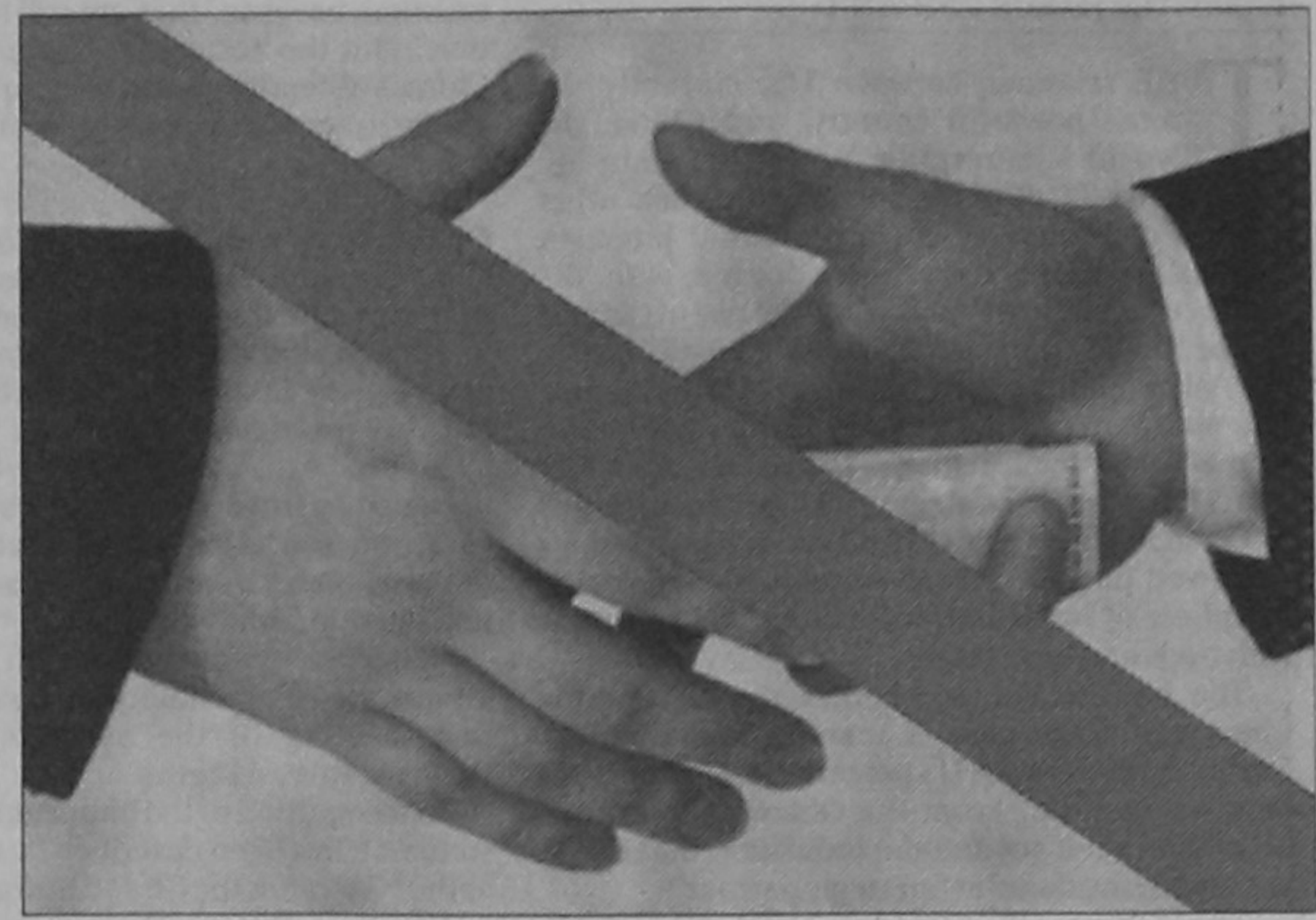
In circumstances as above, one would be curious to know about the modus operandi of our taxation outfit whose alleged negligence or collusion has facilitated the unaccounted earnings of the high and mighty. The question is when vigilance is not exercised in the usual course of business by the principal revenue earning

body, how reasonable is it to expect the regulatory graft fighting body to unearth corrupt practices without spontaneous support?

It needs to be remembered that enlisting cooperation from taxation officials to prove criminal cases pertaining to ill-gotten wealth is a time-consuming laborious process. Similarly, incidents of custom duty and sales tax evasion thereby depriving the public exchequer of its rightful dues are difficult to establish without a proactive approach from the customs department. It was only recently that government was able for the first time to energize the national board of revenue in tracking down ill-gotten wealth and unearned income. Such manifest action is not part of the ordinary course of business. This has to be noted while commenting on the speed of graft enquiry.

Somehow there is a belief that irregularities of all sorts may go on regardless until the malfeasance has attracted the attention of the regulatory authority including the anti-corruption commission. The situation is ludicrously akin to one in which all the erring and negligent headmasters are virtually motionless waiting for the School Inspector to pull them up. It amounts to a multiple crooks and the lone ranger scenario. No wonder, therefore, we are witnessing a huge backlog of financial, legal and administrative irregularities and deviations in all areas of national activity. Preparing a work plan and deciding on the bare reducible minimum is an extremely difficult task in such an unsettling scenario.

There is ground for concern when one finds that our supreme graft fighting body is not adequately prepared to properly investigate delicate cases of financial crime. The worrying part is that the



accused will always be entitled to all the benefits of doubts and the defence will have the services of the best and expensive lawyers. Such forethoughts are definitely relevant and one can expect that the government will be generous to use its financial resources in the fight against corruption. The adversary is too strong to be taken lightly.

There is no denying that irregularities and indiscretions did not cause the raising of eyebrows in a milieu where corruption for many has become a way of life. No stigma was attached to black money in our society. Tax incentives have been given to deviants and law breakers. In addition, the corrupt have their promoters, supporters and partners everywhere in business, trade, industry, and agriculture and even in media.

We are in a mess because institutions

have not been allowed to flower. The myopia of our public leaders has to take a large part of the blame. Corruption has not been condemned in a forthright manner and as such we do not see meaningful resistance to the malaise from within the society. Cultural internalization of the good and the evil has not been manifest.

The inescapable irony is that the absence of democratic activities has mostly facilitated the process of anti-corruption drive. Once political governments have taken charge the drive has slackened and has bared its teeth often when the accused happened to be the political opponent as has been the experience of 2001 to 2006. The public do not want a repetition of that without cogent grounds.

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## Consequence of ill-planned urbanisation

Hamstrung by medieval infrastructure, despite the millions of taka spent in different projects, the city presents a dismal picture in respect of water supply, sanitation facilities, waste disposal and drainage system. The sewerage or drainage system covers only 160 sq km of the total 360 sq km of the capital city.

MD. ASADULLAH KHAN

DHAKA is used to rains. It is also used to stoppages. Several times every monsoon, the city's workforce finds itself grid-locked or stranded. Everyone wades home after a few exhausting hours, and the next morning things return to normal. But on Tuesday (July 28) it was different. The city that never stops shut down.

What took Dhaka by surprise was the volume and intensity of the rain. It rained incessantly from Monday night till Tuesday morning -- 333 mm -- the highest ever recorded in a day in the last sixty years. Its impact was almost apocalyptic. The city's overburdened transport network always takes the first hit, and not only the city's commercial heart but also the entire city stopped beating. In many places power grids collapsed, and nine people died by coming in contact with fallen live electric wires. It mid-day when they realize that this was no ordinary monsoon day.

Most city areas went under knee-deep water, and the shanty towns and slums in Mirpur and Mohammadpur were the worst sufferers. By the morning of Tuesday they found their huts under knee-deep water and had to take shelter in nearby buildings. With the collapse of the city's transport network, most people had to wade back home. The result was pandemonium on the streets, with even the main roads including the road dividers inundated and traffic coming to a halt.

The abnormal water-logging can be attributed to congestion of drains because of the ineffective underground sewerage

system. The 43 canals that crisscrossed the city are now totally non-existent. Dhaka Wasa sources claim that they have recovered 12 plus canals, but they are yet to be functional because they have neither the depth nor width to receive such a heavy volume of water.

Little did the planners realise that the "mega city" they were and are contemplating to build would turn into a hell-hole and become unlivable a few years from now. With drainage congestion exacerbated by dumping of solid waste into the drains this paradise city has turned into a choking hell.

Even during the Moghul period or British colonial rule urbanisation took place with the highest attention attached to sewage management. A cursory look at old Dhaka will reveal that although at that time roads were narrow, the drains were wide and deep to allow passage of water and wastes with little hindrance. The ubiquitous polythene that causes abnormal drainage congestion these days was not there in those days.

Dhaka city could once boast of at least 22 canals that would have allowed easy and quick passage and disposal of wastes without creating water-logging in any area. But due to greed, and need, we have filled up the canals and marshy lands to develop housing for the growing population of the city.

Sprawling residential areas have sprung up through earth filling. By constructing an embankment around some of these places we could withstand the onslaught of flood-water, but what avenues did we leave to prevent water logging due to

internal flooding or heavy rainfall? If there was excess rain in the past then there was enough room for water to runoff.

The absence of a modern storm water drainage system has been blamed for such water logging. To call the present system antiquated would perhaps be incorrect because a large part of it was installed a hundred years ago, but it is bearing a far greater burden than it was designed to.

Initially, the new land created from the wetland or river banks was kept as no-development zone, but has recently been opened up for development. This means concretisation of these lands. If you concretise land, then the soil is unable to soak in the water. This is a double loss, because the underground aquifers are also not generated. In other cases, wetlands and wastelands act like sponges and relieve the pressure in abnormal situations.

The city's development plan earmarked lands for gardens and playgrounds. But with pressure from the affluent section and developers mounting, these are being de-reserved at a phenomenal rate. In the past, politicians, Rajuk, DCC and DoE were involved in such a vile process. It's a very carefully planned strategy. It is a transition from wetland to waste land and then to wealth land.

To be sure, all these development works after liberation were done with a myopic vision. Environment was never a part -- and largely still isn't -- of either the government's or Rajuk's or city corporation's agenda of action. Historical records reveal that in the Dhaka city development plan of 1917, highest importance was given to conserving the Dolaikhal and other khals and navigational facilities in the adjacent rivers. But, today, even the Buriganga faces extinction due to human onslaught.

The 20-year city development plan formulated in 1997 emphasised maintenance and conservation of sewerage lines, installation of pumping stations, and strengthening of city protection embankments. The report suggested construction of structures on pillar in the flood prone areas to allow free flow of water during high rainfall and flood. The recommendation emphasised the construction of 30 large tanks in different locations of the city to

prevent water logging. Shockingly, most of the tanks that already existed have been filled up.

Despite the fact that rainfall is not too high these days because of adverse climatic situation and freakish weather pattern due to global warming, water-logging is still a problem. It is not true that neither the public nor the political leaders and policy makers knew what actually played havoc and compounded the problems.

The governments in the past did nothing, and the trend still continues. What is more appalling is that the people don't protest, and even if they have protested in any locality these are hardly listened to.

The reason for such a sorry state of the city is that Dhaka, one of the ill-planned cities in the world, has seen a consistent rise in population over the last two

decades. But the needed infrastructural requirements have been ignored. In a sense, Dhaka is being strangled.

Hamstrung by medieval infrastructure, despite the millions of taka spent in different projects, the city presents a dismal picture in respect of water supply, sanitation facilities, waste disposal and drainage system. The sewerage or drainage system covers only 160 sq km of the total 360 sq km of the capital city. About 50 percent of the urban waste is allowed to decompose and putrefy on the roadside. Quite a substantial portion of it goes into the open drains, choking them permanently and creating slush and stink all around. The result is that, after even a mild shower, the roads and few open spaces left after the helter-skelter construction of apartment blocks become inundated.

Perhaps the best proof of this is the land

developed by filling marshy land in Ashulia, Tongi, Mirpur and DND embankment area. All these complexes were built on marshes that surround the mouth of the Buriganga river. In the early '90s, or even later, when Rajuk gave the nod to land grabbers for filling up these low lying areas, environmentalists warned of a possible backlash.

Because of the commercial promise they held, many such projects required no environmental clearance. And, at the same time, the concerned ministry failed to exercise its authority to stop this foul game, and now the city dwellers have to bear the brunt of the past follies and mistakes of uncaring governments.

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## Globalisation and growth

Asian experience definitively shows that there is a positive link between integration with the global economy and economic growth. Such integration also exposes countries to vulnerability from external shocks to redress which appropriate domestic policies need to be put in place.

MIRZA AZIZUL ISLAM

THE link between globalisation and economic growth has been a subject of intense scrutiny by policy-makers, economists, civil society leaders and the media for quite some time. There are many who argue persuasively that integration with the global economy accelerates growth. No less persuasive are the arguments to the contrary. The recent global meltdown has given added ammunition for the critics. The arguments and counterarguments are fairly well-known. Considering the

limitations of space those will not be repeated here. However, given the contradictory positions of the proponents and the opponents, it would be fair to suggest that the relationship between globalisation and growth needs to be explored empirically. Accordingly, I have reviewed the growth experiences of 12 Asian Countries covering the period 1980 to 2009. Countries examined are Bangladesh, China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand and Vietnam. The statistical findings and the key messages emanat-

ing therefrom are presented below.

### Statistical findings:

- All of the above-mentioned countries recorded notable increase in trade as proportion of GDP between 1990-2005.
- During the same period, inflow of private capital as proportion of GDP also increased substantially.
- Remittances increased sharply in all countries except Korea which recorded decline and Singapore for which no data are available. Both of these are high-income countries; their residents have no incentive to look for jobs abroad.
- During 1990-97 period, higher growth rate was observed in all countries compared to 1980-90 period except Korea (7.2 per cent as against 9.5 per cent during 1980-90) and Pakistan whose corresponding growth rates were 6.3 per cent and 4.4 per cent. In 2005, Pakistan had the second lowest position in terms of both trade/GDP and private capital/GDP ratios.
- In 1998, all the East/South-East Asian countries suffered major declines in

- growth rates compared to the average of 1990-97 period (Indonesia to -13.2% from +7.5%, Korea to -6.7% from +7.2%; Malaysia to -7.5% from +8.7%; the Philippines to -0.5% from +3.3%, Singapore to +0.4% from +8.5%, Thailand to -10.4% from +7.5%, Vietnam to +4.4% from +8.6% and China to +7.8% from +11.9%.
- In 1998, the South Asian countries fared quite well with growth rates ranging from a minimum of 3.3% in Pakistan to 6.8% in India, (Bangladesh 5.2% and Sri Lanka 4.7%).
- During 2000-07 all the East/South-East countries bounced back with a minimum growth of 4.9% in Korea to a maximum of 10.8% in China, but none reached 1990-97 average except Philippines which averaged 5.8% during 2000-07 against a low rate of 3.3% during 1990-97 period.
- During 2000-07 period, all the South Asian countries performed better than during 1990-97. The growth rates of these late globalisers converged towards those of East/South-East Asian countries.

- Estimates of growth rates for all countries in 2009 are lower relative to 2000-07 period except for Indonesia which had lower than potential growth during 2000-07 period.

### Key messages:

- While it should be recognised that there are many determinants of growth, there is no doubt that globalisation accelerates growth as 1990-97 performance of all countries relative to 1980-90 period shows.
- This is reconfirmed by South Asian countries' experiences during 2000-07 relative to 1990-97 period.
- Once a high level of income is reached in consequence of high rates of growth during earlier periods, it becomes difficult to sustain the same growth rates as evidenced by East/South-East countries during 2000-07 period.
- Globalisation does expose countries to vulnerability as evidenced by the experience of East/South-East countries during 1998 and the estimates of growth rates for 2009 for all countries.
- However, continued participation in

the globalisation process enables countries to bounce back fairly quickly, as shown by post-1998 experience of East/South-East Asian countries.

• In conclusion, it can be stated that from the perspective of economic growth participation in the globalisation process should be welcomed and encouraged. However, developing countries such as Bangladesh should also remain alert to the possibility of being at least temporarily victimised by external shocks. To the extent possible, they need to adopt domestic policies to pre-empt or mitigate the negative impact of such shocks. These could include flexible exchange rates, counter-cyclical monetary and fiscal policies, restrictions on the inflows and outflows of short-term capital and targeted programmes to alleviate the distress of those who are hit hardest by the external shocks.

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