

Upazila parishads must not be sidelined

Devolution must underpin governance

LET there be no mistaking facts here. The upazila system is in a state of emasculation. Where it was thought that upazilas would serve as a strong foundation of the local government structure, it is now clear that the Awami League-led government is in little mood to have such a system take root. This of course runs contrary to the pledge the AL made in its election manifesto about a strengthening of local government bodies, with upazila parishads being a pivotal factor in such a plan. Since taking office, however, and particularly since the upazila elections in January this year, the government has backtracked on its commitment obviously in order to satisfy lawmakers. That has been done through empowering MPs to play a supervisory role in the functioning of the upazilas, so much so that upazila chairmen can only have projects implemented if and when they are approved by local lawmakers. That negates the overall concept of devolution the upazilas were supposed to be an embodiment of. What has now happened is a dilution of the authority local bodies should have had under a properly functioning upazila system.

All development work in the upazilas is now being done by local MPs and upazila nirbahi officers. In other words, upazila chairmen and members have to all intents and purposes been elbowed aside, with the result that many of them have already begun to feel redundant. Obviously, such a condition contradicts the provisions of the Upazila Parishad Act, which notes clearly that all administrative and political measures as well as maintenance of law and order will be the prerogative of the upazilas. Those provisions are being pushed aside, raising questions about the future of the upazila system itself. If it were merely a question of an overlapping of responsibilities, one would take a kinder view of things. But what is happening here is a deliberate undermining of public representatives elected to office by popular mandate. Worse is the allegation that in their supervision of upazila development activities, lawmakers have been engaging their party men to implement projects. To compound matters, upazila nirbahi officers have expressed their reluctance to work under the upazila chairmen! Some weeks ago, it was even suggested that deputy commissioners be given the power to dismiss upazila parishads if they felt the local bodies were not working to their satisfaction. The upazilas, then, are in a state of siege today, to our collective embarrassment.

The situation calls for a serious and efficacious approach. The government must realise that any move to dilute the upazila authorities will in the end prove counter-productive. One can well argue that many of the problems the country has faced in the past thirty-eight years may not have been there had decentralization served as the core of national politics. There is yet time to correct the situation. An MP-centric upazila system will defeat the entire purpose of democratic, welfare-oriented politics. If the government is serious about change, it must demonstrate that seriousness by ensuring that local government is fully empowered as part of the political process. Failure to do that will only make our problems worse.

World Climate Conference

Take immediate steps to implement pledges as time is running out

NOW that the World Climate Conference-3 has concluded with the decision to create a 'Global Framework for Climate Services', we earnestly hope all the countries will work sincerely towards implementing the pledges. The framework aims to help the world community better cope with the challenges of the unpredictable climate behaviour, as drastic changes in the weather pattern and resulting global warming is poised to wreak havoc in many countries, including Bangladesh. Hence, the Bangladesh government needs to keep its attention focused on how and when the recommendations will be translated into action.

What stands out in the framework is the decision to strengthen production, availability, delivery and adaptation of science-backed climate prediction and services. There is no denying that without proper application of technology, such as sophisticated satellites, precise prediction about a looming natural catastrophe will not be possible. Therefore, all the developing countries should be given access to such technology by those who have it.

The conference requested the World Meteorological Organization (WMO) secretary general to convene an intergovernmental meeting of member states of the WMO within four months of the adoption of the Declaration. The meeting would reflect on and approve the terms of reference and endorse the composition of a high-level taskforce. It is understood that the taskforce would prepare a report to be circulated by the WMO secretary general to member states for consideration at the next WMO Congress in 2011 with a view to adopting a framework and a plan for its implementation.

Prime Minister Sheikh Hasina has suggested at the meeting that Bangladesh and WMO should exchange information on weather situations, pointing out that it would not be possible to address the challenges by a single country or organisation. She rightly said that regional and international cooperation is imperative to cope with the climate change issues. And on the basis of her talks with the WMO secretary general, we hope she would immediately start working on modernising Bangladesh's meteorological department by introducing the latest technology and systems.

All said and done, the participating countries should now keep in close touch with one another and share knowledge and expertise to implement the recommendations. They must realise that already some irreversible damage has been done to the world. Therefore, they have no time to lose.

What holds us back from joining the global march?

Considering their unflinching support matched by robust contribution to the national economy under all circumstances, it is hardly surprising that the government would expect more from the Bangladeshi diaspora.

SYED FATAHUL ALIM

THE prime minister has called upon the Bangladeshi expatriates of Europe to invest at home to accelerate country's economic development. The expatriate community's contribution to the economy cannot be overemphasised, especially for the remittance they send home regularly. Reassuringly though, the volume of foreign remittance is gradually on the increase despite the impact of the all-engulfing global recession on the developed economies where our expatriates live and work. Considering their unflinching support matched by robust contribution to the national economy under all circumstances, it is hardly surprising that the government would expect more from the Bangladeshi diaspora, especially who have also the capital, to come in a still bigger way and invest in the country. The prime minister's call in this connection is therefore only reflective of the nation's rising level of expectation from them.

While talking of the expectations from the expatriates, who are also known as Non-Resident Bangladeshis (NRBs), it would be worthwhile to distinguish between remittance as usual and investment. For unlike remittance, which is the foreign currency that comes mostly from the wage earners working overseas, investment is something quite different as it has to fulfil a number of preconditions before a prospective investor goes for such a decision. For an investment decision, coming either from foreign or Bangladeshi nationals, is not dictated solely by the amount of capital they possess or that of the patriotism they nurture at heart, as it involves risking one's hard-earned money in a business venture. This truism is equally applicable to the case of our own NRBs having the capital as well as the neces-

sary dose of patriotism.

If one looks at the behaviour of the emigrants from China, India and many other countries staying in the highly advanced Western world, one would find a big change in their recent outlook towards their original homeland. In the beginning, though, they would hardly show any interest in investing their incomes earned from their new home in the West in their native countries. On the contrary, they were then more interested in staying put and preserving their well-earned affluence and the sense of personal freedom.

And if they were at all willing to share their sense of well-being with their own people back at home, they would rather prefer their close relatives to join them abroad and enjoy the privileges. That was the general attitude of the earlier emigrants in the developed countries, regardless of their ethnicity. But that outlook has undergone a sea change in the last few decades, in the case of the emigrants from the fast emerging Asian economies like China and India. They are now more willing to take their money earned abroad to their countries of origin. Why is this change of heart and this sudden resurgence of deep nostalgia and patriotism for their ancestral home? As everyone is aware of, it is due to the success of those economies in the recent times.

In other words, history has turned full circle in the case of those emigrants. In sum, it is the assurance of a better life and opportunity for further prosperity, more than just loyalty to or nostalgia for home that becomes the determining factor when it comes to one's taking decision particularly on economic matters.

In this context, what can Bangladesh expect from its more successful expatriates in the overseas? No doubt they love their root, the land of their birth or of their ancestors.

Moreover, in these days of advanced communication, they keep themselves abreast of the day-to-day happenings at home and even express instant concern for any turn of event that appears harmful for the country's economy and politics. In that case, excepting the wage earners, can we then expect that the other NRBs, especially the very enterprising ones, who have got permanent residence status in their host countries, too, are equally prepared to remit all their savings to Bangladesh, for the purpose of investment, for example? Small wonder as it concerns a decision of the economic kind, they, like any other entrepreneur, would hardly jump at the prospect without taking all the risk factors involved into due consideration. As it has happened in the case of the emigrants from China and India in the West, our own NRBs are also very likely to take the same course of action and demonstrate a similar pattern of behaviour. Understandably, they will also be looking for the stories of success, before they would be rushing home with their money earned through hard work in abroad.

So, it is nothing but the success of a country in the economic field that acts as a powerful magnet to pull not only strangers, but also its own people towards it when it is a question of taking economic risk.

Bangladesh has opened up to foreign investment since long. But so far the response from the international investors has remained lukewarm, despite the fact that labour here is one of the cheapest in the world. Why are the foreign investors so slow to take hold of this opportunity in Bangladesh, which unlike many other Muslim majority societies is not conservative, but more or less a liberal one with a democratic system of government in place for at least the last one decade and a half? Another plus point for the people of this country is that they are known for their hospitality towards the foreigners in particular. The question of being liberal, democratic and hospitable, comes here because, it is often said that such conditions in a society influence outsiders to make their investment decisions in

a particular country. So, one can safely assume that the conditions prevailing here should tempt any foreigner, not to speak of NRBs, to risk their money to be put in. But in spite of these positive factors, one is yet to see any significant improvement in the country's record so far as wooing of foreign investment is concerned. And until now, even the NRBs with the ability have hardly joined in any big way in the industrialisation of the country.

The government needs to take due note of this seemingly strange attitude on the part of the investors whether local or foreign. And if we go for an honest soul searching, it will become evident that there is also nothing strange either in the behaviour of those entrepreneurs, who are yet not ready to invest in the country the way they have been doing in some neighbouring countries.

To get out this situation, the government, first of all, will have to overhaul the bureaucracy as well as the outlook of dominant political culture of the country towards business in general. That would go a long way in reducing the hassles and the roadblocks that many potential investors are fearful of. Even the lack of adequate infrastructures is not so much of a problem, for there are entrepreneurs who are ready to invest in this sector. But what an entrepreneur cannot do anything about is the prevailing administrative culture of considering itself as the patron and treating trade and investment at its mercy as clients.

As the present government has assumed office with a promise of change, it is hoped that it would effect it in earnest within its own politico-administrative domain. The politics, too, should come out of its earlier obsession with the sheer bid for power and stopping there as soon as it is achieved. The successes of the newly emerging economies have much to do with their political and administrative culture and attitude towards all kinds of investment. On this score, we have lessons to learn from them, too.

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Bangladesh economy and global crisis

Given the increase in food prices, coupled with the tendency of some businessmen to reap abnormal profit, governmental intervention in the market has become a necessity. Bangladesh's food supply is threatened by flooding in some areas and drought in others.

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THE contagion of global meltdown that started in the US has caught up with the others. George Soros, in his book *The Crash of 2008* and what it means, writes: "The size of the problem is even larger than it was in the 1930s. This can be seen from a simple calculation. Total credit outstanding was 160 percent of GDP in 1929, and it rose to 260 percent in 1932 due to the accumulation of debt and the decline of GDP. We entered into the Crash of 2008 at 365 percent, which is bound to rise to 500 percent or more by the time the full effect is felt. And this calculation does not take into account the pervasive use of derivatives, which was absent in the 1930s but immensely complicates the current situation." He blames the collapse of the "housing bubbles" for the financial crisis.

Our export basket consists of a few items involving low technology and, with buyers' conservatism, the prices of our exportables are bound to come down further. The other foreign exchange earner, the remittance sent by our workers abroad, also faces uncertainty. Remittance will shrink. It is impossible to put figures to these variables as they depend on the evolving condition of the global economy. Since external factors appear to be unfavourable in the short term, Bangladesh has to develop its agriculture, which accounts for 30% of our GDP.

Bangladesh has a mixed economy. Land is primarily owned by private individuals. The farmers are, however, dependant, on the government for agricultural inputs like diesel, fertilizer, seeds, etc. The government's decision to reduce the prices of most fertilizers and diesel has been welcomed by the farmers. The International Rice Research Institute does not hold out any hope of increased land for farming or any ease in the fertil-

izer market in the future.

Given the increase in food prices, coupled with the tendency of some businessmen to reap abnormal profit, governmental intervention in the market has become a necessity. Bangladesh's food supply is threatened by flooding in some areas and drought in others. Typhoons and monsoons that routinely pummel Bangladesh are intensifying because of climate change. If nothing is done to curb greenhouse emissions, sea levels could climb more than three feet. If this happens, 15% of Bangladesh could founder under water.

FAO/WFP crop and food supply report of August 2008 estimates that 56 million are "absolute poor," i.e. unable to acquire the minimum level of food required to maintain normal health; within this, 27 million were categorized as "hard core poor," i.e. unable to acquire two-thirds of the minimum level mentioned earlier; and 11 million as "ultra poor," i.e. unable to acquire half of the minimum requirement. Their number increased from 2000-2005 due to population growth.

Our main export earners are readymade garments and remittance of Bangladeshi expatriates working abroad. EU and the US account for most of our exports and our remittance comes from the Middle East and the Western countries. As their economies are in still in recession the job loss in the main areas of employment is likely to continue.

The government will have to take measures to extend tax net, apprehend tax dodgers, widen the export basket, widen the war on corruption etc., to make up for the expected loss of external revenue. Bangladesh has one of the lowest tax-GDP ratios in the world. Another way of state earning could be to expeditiously bring back into the country the money illegally stashed away by the rich and the powerful.

The World Bank had estimated that



Food for thought.

the price hike, partly due to rise in international price of rice, has added four million Bangladeshis to the poor class. Bangladesh lost about two million metric tons of rice (7.3% of domestic production) in the twin floods of July-August and the cyclone in November 2007. Because Bangladesh is a net importer of rice low-income households spends 80% of their income on food.

The World Rice Commerce 2008 Conference held price stability as the foundation for avoiding price volatility. Consequently, price reduction of essentials would be a great challenge for the government. The government appears determined to intervene in the market to destroy the syndicates that artificially raised the price of commodities.

Reduction and eventual eradication of poverty would be a greater challenge for the government. FAO has put Bangladesh in a list of 31 countries that need food assistance in 2009. Most of the food insecure countries belong to the Third World. Of the food insecure LDC countries 11 are in high growth group with GDP growing at 6% or above, and include Afghanistan, Bangladesh and Myanmar in Asia. The report anticipates that the ongoing financial crisis could push more people into poverty and hunger.

Intra-regional trade imbalance due to asymmetric trade relationship ignores the fact that the less developed have a far smaller export basket and their main focus of export is to the developed countries. Although Bangladesh's exports registered a growth of 10% last year, her export to India slipped more than 22% in

the last fiscal year. Indian granting of duty free import of RMG could not materialise due to different tariff and non-tariff barriers, which need to be removed. Indo-Bangla trade gap is more than \$2.5 billion.

Average inflation rate has come down to 7.2% in the third quarter of the fiscal year. This primarily reflects a fall in food grain price due to good harvest. The minor recovery seen in the last quarter of 2008-09 was not sufficient to push up GDP growth rate beyond 5.8% of that year. The government should continue to provide subsidy to fertilizer, diesel and electricity.

Some expansion took place in aggregate spending -- both private and public -- but underdeveloped infrastructure, irregular supply of electricity, and deteriorating law and order situation continue to contribute to low growth rate. While export of woven garments, knitwear, footwear and terry towels registered growth in Q4 of FY 09; growth of petroleum by-products, chemical products, textile fabrics, home textiles and ceramic products decelerated.

The main hope for Bangladesh is that Prime Minister Sheikh Hasina will provide transformational leadership that will "induce followers to transcend their self-interest for the sake of the higher purpose of the group that provides the context of the relationship. Followers are thus inspired to undertake 'adaptive work' and do more than they originally expected based on self-interest alone."

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