

Corruption Perceptions Index 2010: Why have we failed to improve?



The increasing involvement of public representatives and their agents in various forms of influence-peddling in bidding for public contracts, procurements, recruitments, and grabbing of land and water bodies are not only against the government's electoral commitments but also raise concern about increasing impunity and eroding capacity to control corruption.

IFTEKHARUZZAMAN

THE CPI - Corruption Perceptions Index-2010 was released by Transparency International (TI) on October 26. Bangladesh has failed to achieve improvement over last year. In a scale of 0-10, we have scored 2.4, the same as in 2009, and occupied 134th place among 178 countries featured in this year's index.

Our score is the same as Azarbaijan, Honduras, Nigeria, Philippines, Sierra Leone, Togo, Ukraine and Zimbabwe, all ranked in the 12th position from the bottom. Bangladesh was in the 13th position from the bottom last year, together with Belarus, Pakistan and Philippines.

The downside of one step from the 13th to the 12th position may not be significant because, in addition to the score of the country concerned, the ranking depends also on comparative

performance of other countries and the number of countries included or excluded in the particular year.

On the other hand, the score a country receives is more important. That the score of Bangladesh has remained the same as last year is significant when viewed from the perspective that in 2009 we gained 0.3 points more than in 2008. Such a gain in one year was considered to be remarkable for a country at the lower end of the list, and Bangladesh was one of only 9 countries to have achieved it.

Therefore, we had expected that the upward trend from 2009 would continue this year, especially when we have a government that came to power with anti-corruption as one of the key top priorities in its election manifesto. But sadly, that was not to be, as the result of CPI has shown.

The CPI provides an international comparison of performance of countries

in terms of perceived degree of prevalence of political and administrative corruption. It is a survey of surveys conducted by about 10 international organisations that bring out the assessment of business people, business analysts, investors, investment analysts and experts who may or may not be resident in the country concerned. The index has been published from 1995, when only 41 countries were included. The highest number of countries included in the survey was 180 in 2009.

Somalia, having scored 1.1 remains at the bottom, as it was in 2007, 2008 and 2009, implying that corruption in that country is perceived to be the highest, followed by Afghanistan and Myanmar in the 2nd position, Iraq in the 3rd, and Sudan, Turkmenistan and Uzbekistan in the 4th.

Denmark, New Zealand and Singapore are the highest scorers with 9.3, meaning that corruption is perceived to be the lowest in these countries. Jointly in the second position are Finland and Sweden, having scored 9.2, closely followed by Canada, Netherlands, Australia, Switzerland and Norway.

Singapore has always been among the high-ranking countries, but for the first time this year it has reached the very top, having gained from 9.2 last year. The only other Asian performer to be in the league of countries or territories that have most effectively controlled corruption is Hong Kong, having scored 8.4.

As in previous years, highly developed countries continue to be in the category of those where corruption has been effectively controlled, although many OECD countries like Germany, Japan, UK, USA have scored less than 8 this year. Notably also, the highest ranking countries have also received less than 100% score, indicating that corruption is not necessarily the monopoly of the developing countries. It is a malaise affecting every country of the world -- developed or developing.

Like in previous years, among the South Asian countries, Bhutan, India and Sri Lanka have performed better than Bangladesh, with Bhutan scoring 5.7, which is better than Italy (3.9), Thailand (3.5), China (3.5), Malaysia (4.4) and South Korea (5.4). India and Sri Lanka scored 3.3 and 3.2 respectively. Bhutan's consistent performance indicates the importance of political will, rule of law and growing institutional capacity to control corruption, especially the effectiveness of their Anti-Corruption Commission.

Maldives and Pakistan have scored 2.3, whereas Nepal got 2.2. Notably, Bhutan has registered one of the highest gains, from 5.0 in 2009 to 5.7 this year, whereas Sri Lanka and Afghanistan have scored 0.1 points higher than their respective scores last year. The other South Asian countries -- India, Maldives, Nepal and Pakistan have received lower than their score in 2009.

It may be recalled that Bangladesh was earlier placed at the very bottom of the list for five successive years from 2001-2005. Bangladesh was ranked no.3 in 2006, no.7 in 2007, and no.10 in 2008.

Last year's performance was encouraging for many of us though, with a score below 3, we continued to be among countries where corruption is pervasive with deep and wide impacts.

The CPI is based on 2-year rolling estimates, and this year's data are from January 2009 until September 2010. Therefore, Bangladesh's performance reflects a perception of lack of progress upon that of January 2008-September 2009.

When Transparency International Bangladesh (TIB) released the 2009 report, we commented that the improvement was a combination of three factors. The first was a possibility that corruption could be truly made a punishable offence. The second factor was a number of institutional and legal reforms that took place, which could strengthen the capacity to effectively control corruption. The third was a perceived positive assessment of the anti-corruption electoral pledge of the government.

We also commented last year that whether or not the improvement achieved by Bangladesh would be sustainable and whether further progress would be achieved, would depend on the government's will and capacity to deliver on the commitments made.

Among the government's electoral

pledges more than a dozen were specific to building and strengthening the anti-corruption institutional and policy infrastructure. After the government came to power, the commitments have continued to be reiterated, especially at the top level, which helped retain some optimism.

The government also adopted some significant steps that could indeed strengthen its capacity to effectively control corruption. These include the adoption of the Right to Information Act. Another piece of legislation that could be rewardingly complementary to the RTI Act -- the Whistleblower Protection Act -- has been placed in the House for consideration. If it is adopted and enforced, officials in public and non-government sectors who couldn't disclose information on corruption or other irregularities for fear of intimidation or other forms of harassment will be protected by the law.

The government has been moving ahead with the practice of Citizen's Charter in public service delivery institutions, which could also be helpful. All publicly funded institutions have been asked to conduct anti-corruption training programmes, which should also be viewed positively. An implementation plan of the UN Convention against corruption has been adopted, though not much progress has taken place in realising the vast range of commitments made under the Convention.

However, there have been some other developments that may have prevented positive gains in CPI. The government proposed a set of amendments to the Anti-Corruption Act that could severely curtail the independence and effectiveness of the Anti-Corruption Commission. In the face of opposition by the civil society, media and other stakeholders, especially TIB, the government has reportedly decided to review the matter, which however remains unresolved, causing concern. Any act to undermine the credibility and capacity of the Commission would be one of the easiest ways to climb down in the index.

The Parliament started very well with some unprecedented indicators. The committees were formed in the very first session, which also witnessed the speaker playing a reasonably balanced role in conduct of proceedings. The prime minister's question-answer sessions were lively with the participation of the opposition when they were available. The Committees have also started to function well.

But boycott of sessions by the opposition resumed soon on grounds that could be easily addressed if only our political leadership could rise above their confrontational politics and zero-sum game. This did not send good signals in terms of the prospect of an effective parliament capable of holding the government accountable.

Many of the standing committees of the Parliament are also reportedly domi-

nated by members with conflict of interest, which also does not auger well for the prospect of transparent and accountable governance.

One of the key election commitments of the government was to establish a system for disclosure of income and assets of ministers, public representatives and other people in positions of power, which remains a far cry -- with the single exception of the recent disclosure by the finance minister. There is no indication if his colleagues will follow suit. On the other hand, provisions have been made in successive budgets for whitening black money in one or other form, which is not conducive to fighting corruption.

The government pushed ahead to introduce a basic change to the procurement rules, to the effect that experience and expertise would not be mandatory up to a certain threshold, which has been viewed as detrimental to ensuring transparency, efficiency and integrity in the public sector.

An equally negative message was sent by the amendments to the Telecommunication Act 2010, which not only curtailed the authority of the telecommunications regulatory commission but also created the scope for exercise of unrestrained discretionary power by the ministry in key business and investment decisions affecting the sector.

The health adviser's recent statement denying the right of access to health related information, coupled with the assertion that appointment of health workers shall be exclusively on the basis of partisan political consideration, did not do any good to the prospect of good governance.

The increasing involvement of public representatives and their agents in various forms of influence-peddling in bidding for public contracts, procurements, recruitments, and grabbing of land and water bodies are not only against the government's electoral commitments but also raise concern about increasing impunity and eroding capacity to control corruption.

In spite of the above, we want to be optimistic. This year's performance in CPI is a timely pointer that unless the government can demonstrate genuine political will to control corruption without fear or favour, and unless they do with top urgency and priority, the capacity to control the menace will be further weakened.

What needs to be done should not be unknown to the government as long they have a close look, at least periodically, at the election manifesto of the main ruling party. The more the government acts inconsistently with the election pledges the greater will be the prospect of further loss of ground in terms of CPI in the days to come.

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Prioritising smooth functioning at Chittagong Port

Chittagong port is the major opening to the economy of Bangladesh, and there is no other installation in Bangladesh equal to it considering its strategic and economic importance. Moreover, the port is a place where international shipping originates, terminates or transits.

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CHITTAGONG is the major port of Bangladesh, handling around 85-90% of the nation's trade. Its importance to the country cannot, thus, be over-emphasised. From a throughput of around 1m TEUs containers in 2007, Chittagong Port Authority (CPA) expects to be handling 2-2.5m TEUs in 2016. The Government of Bangladesh (GOB) earns around 30% of its revenue from Custom House Chittagong (CHC) and Chittagong Port.

Admittedly, resurfacing of the old scenario of making Chittagong port dysfunctional by dockworkers' agitation in recent times sent the port to a virtual standstill, the temporary solution to which has only been possible by taking recourse to the ultimate measure -- deployment of the army. While the financial loss due to the deadlock crossed thousands of crores of taka during the 6-day long stalemate, the damage of image that has been inflicted by it has been termed by port users as such a scar that it will take years to heal.

During the recent crisis at Chittagong port, garments and shipping sectors of the country incurred severe losses. The garments sector not only suffered due to lack of raw materials waiting to be offloaded from the stranded ships, they also face the grim prospect of losing

orders due to post-scheduled delivery of goods. Though various groups concerned blamed the government's indecision for development of the port situation to such a pass, deployment of army has been hailed only as a temporary solution and, very rightly so.

This time the crux of the problem was cargo handling at the jetties of General Cargo Berths (GCB) by private operators appointed by the Chittagong Port Authority (CPA). As a result, the dockworkers obstructed the attempts to start the berth operation by the appointed private companies on a number of occasions. The dockworkers under the banner of Dock Bandar Sramik Karmachari Federation demanded that the CPA, as agreed earlier with the Federation, should immediately recruit, in their words, "scrutinised" workers.

They also demanded issuance of identity cards for the workers and introduction of labour department under the Traffic Department of CPA. During their agitation, the dockworkers even got at loggerheads with their leaders and man-handled Federation leaders as well as the CPA officials as the latter had gone to the port for resumption of berth operation. At one stage, the crisis at the port deepened to the point of rendering a resolution of the impasse uncertain.

One must not forget the fact that in the past the Chittagong port had been at the

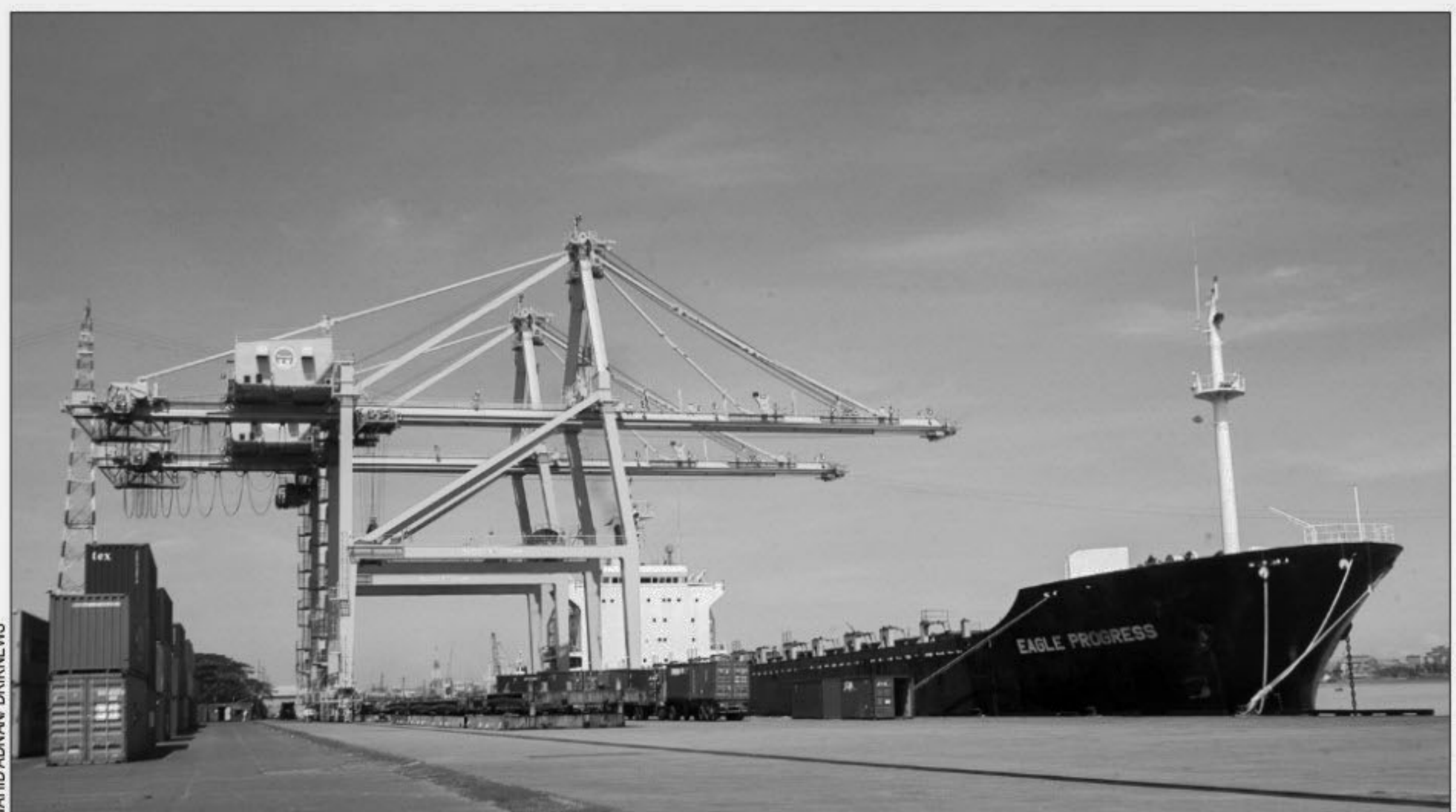
mercy of the dockworkers' syndicates with political backing, and its efficiency level had gone down alarmingly. The turn-around time at that time was about 10 days, which made the Chittagong port the costliest in the region. However, the turn-around time had been dramatically reduced after the Fakhruddin-led caretaker government undertook some reform measures.

Unfortunately, however, the turn-around time again increased recently and might have returned to the earlier double-digit figure unless something was urgently done to prevent the trend. In view of the deteriorating Port situation, Chittagong Port Programme Monitoring Committee formed under the leadership of Chittagong Chamber of Commerce & Industry (CCCI) placed a 7-point recommendation. The Monitoring Committee, first of all, sought urgent government steps to restore normalcy in Chittagong port at any cost.

The CCCI also expressed grave concern and resentment on the prolonged interruption of normal export and import trade of the country. They called for unearthing of the activities or conspiracies being hatched by vested quarters and awarding of exemplary punishment to the culprits.

While giving the executable recommendations serious thought as short-term solutions, the government should give due considerations to the legitimate demands of the dockworkers in the greater interest of sustainability of faster delivery of services at the Chittagong port.

In March 2008, ADB-sponsored "Bangladesh Chittagong Port Efficiency Improvement Project" recommended that the re-organisation of CPA should provide clear lines of management responsibility and devolved authority;



shorter management chain and less opportunity for interference; quicker management response; more direct personnel regulation and control; fewer people; simplified tariff; majority of port charges automatically prepared, invoiced and collected; computer related operating systems; monitoring with Management Information Systems (MIS); and potential for commercial competition to ensure cost effective charges.

For long-term solutions to the problems at Chittagong port, the government can take clues from the ADB-sponsored project's recommendations in addition to devising mechanisms on its own. While attending to findings and recommendations of various studies, however,

the human aspect cannot be undermined.

The labourers, too, have a role to play in it by creating a sense of confidence in the employers that they will not arm-twist the employers on the strength of their collective and political clout.

Hopefully, formation of an advisory council should pave the way for smooth functioning of the port in future. The Parliamentary Standing Committee, too, should play a facilitating role here with earnestness in turning the port into a hub of uninterrupted economic activity.

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port is a place where international shipping originates, terminates or transits.

Therefore, it is of urgent necessity to make it highly dynamic a venue, which will keep pace with increasing commercial and economic activities. The citizens of the country want a fully functional Chittagong port. The expectation is very natural, given the huge prospect of its developing into a regional commercial hub with deep sea-port facilities.

When such a prospect is beckoning in the horizon, self-seeking quarters and self-defeating trade unionism should not be allowed to stay in the way. And, smooth functioning of the port should top the priority list under all circumstances.

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