

Reform in bureaucracy

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THE bureaucracy is an agent for the fulfilment of the policies of the government. Rigid neutrality and rigorous impartiality regarding political issues are the basis of official conduct. Democratic objectives would be impossible to attain in modern society without a bureaucratic organisation to implement them.

Bureaucratisation usually concentrates power in a few men and curtails the freedom of the individual, which is essential for democracy. Bureaucracy endangers democratic freedom but at the same time it serves important functions in a democratic society, which must not be ignored. Whatever the present state of administration, it seems clear that the art of administration implies democracy, which must be built on understanding of hierarchy as the structure of responsibility. The bureaucracy is an instrument to carry out public will, and this is expressed by parliament in the form of law.

The principles of Weberian bureaucracy seem to be in use in the Bangladeshi bureaucracy. Our bureaucratic institutions are centralised and hierarchical, they are professional and impersonal, and the staff is chosen on the basis of examinations. These principles might have worked well in Weber's day when the tasks were relatively simple and straightforward. But the world has changed rapidly: the situation is characterised by technological revolution, global economic competition, free markets, educated workforces, demanding customers and severe fiscal constraints.

Bureaucracy has become too slow, too unresponsive and too incapable

of changing or innovating. The disharmony between traditional bureaucracy and a changing world more or less causes the poor performance of government bureaucrats, who are biased, apathetic or unmotivated to carry out their tasks and responsibilities.

We can identify three kinds of problems with Bangladesh's bureaucracy. First, Transparency International reports indicate that Bangladesh is among the most corrupt countries in the world. The performance of bureaucracy in our society is ranked the world's worst, along with those of India and Vietnam.

Second, there are problems with the overlapping structure of bureaucracy, vague divisions between government functions and citizen obligations, and unclear political process of policy formulation. Third, there are problems with human resources quality. About 56% of public employees are educated up to intermediate level, 18% have Bachelor degree, while only 19% are university graduates. The main problem is low public service performance and excessive service cost.

Apart from the corruption issue, there are problems with the institutions and management of bureaucracy. Bureaucracies in both central and local governments are now getting bigger. In such conditions, bureaucracy becomes inflexible and slow in anticipating emerging problems. The increase of bureaucracies, in most cases, happens because the focus of institution formation is on the institutional framework, neglecting the number and qualifications of personnel, systems of decision making, systems of institutional communication and the span of control. Such an institutional structure tends



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to narrow the choice of strategies or, as the well-known adage puts it, strategy follows structure.

The management of public bureaucracy also faces several problems like (i) unclear planning of work and assignments (ii) inappropriate procedures and assignments (iii) poor enforcement of reward and punishment system, and (iv) lack of transparency in bureaucratic work performance, which causes insufficient feedback for work improvement. The neutrality of the bureau-

cracy is threatened because of the pressure of political leaders. This situation contributes to the unfairness and poor distribution of public service, which tends to fertilise the practices of corruption, collusion and nepotism.

Reform should be carried out to improve the performance of the bureaucracy. Reform is also needed to regain the people's trust in government, which has been decreasing due to the multidimensional crises. Reforming the public service institu-

tion means restructuring its components. This includes aspects of service policy and optimisation, operational cooperation, work system and procedures and delegation of authority. The actions to be taken including following:

Reformulating the definition of public service as an institution, including its vision, mission, strategy, goal and objectives as well as standard operating procedure;

Auditing the public service, at both the central and the local levels to find out the intensity of institutional needs regarding the main tasks and functions of public service;

Targeting public service orientation to customer needs by developing a customer satisfaction index;

- Reformulating the systems of personnel recruitment and promotions and layoffs in accordance with employees' competence and work performance;
- Presenting rewards to the best performing employees and enforcing appropriate punishment to those who consistently show bad working behaviour;
- Formulating a system of performance measurement and empowering the competent employees so that they are able to bring creativity and innovation;
- Improving employee prosperity and integrity, specially building attitudes and behaviour oriented to fulfilling the public needs;
- Improving employee competence and professionalism through appropriate training programmes;
- Empowering society through cooperatives and NGOs so that the implementation of public service is more competitive, the performance improves and customers may choose better public service as they like;

- Developing resistance against corruption, collusion and nepotism that may ruin a bureaucrat's career;
- Developing integrity in the work and institutions through commitment and cooperation building among public service employees.

Since reform of the bureaucracy is complicated and massive it should be carried out incrementally, following well-planned steps. All governance components should be involved to reach the goal, as it is very crucial both to improve the performance of public service and to regain the decreasing trust of people in government due to the unending multi-dimensional crises.

Poverty is a historical phenomenon, and only if economic development reaches an advanced level can it ultimately be eliminated. Nevertheless, even in rich countries like US, fighting poverty is still a significant issue. Public administration shoulders the responsibilities of redistributing social wealth through a number of means, such as tax policy, diverse welfare programmes and other regulatory policies.

Bureaucracy has a large role to play in facilitating economic growth as well as ensuring social equity. The success of democracy and implementation of development programmes largely depend on the public personnel/bureaucratic organisations engaged in building the future of the country. The administrative structure as well as organisation has to be efficient, effective, dynamic, innovative and forward-looking in character. They have to be objective, fair and just on the one hand, and be within the highest standards of integrity and honesty on the other.

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Free transit to India?

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FREEDOM of transit through the territory of one country to another country is a standard trade facility under the World Trade Organisation (WTO) rules. Article V of the General Agreement on Tariffs and Trade (GATT) updated in 1994 stipulates the scope and application of these rules.

One of the provisions of the Article V states that "traffic in transit shall be exempt from customs duties and from all transit duties or other charges imposed in respect of trans-

ports. There is no bar to collecting such fees and charges under the WTO rules.

A recent article in a newspaper in Bangladesh quoted Dr. Mashirul Rahman, adviser to Prime Minister Sheikh Hasina on economic affairs, as saying that Bangladesh will be called "uncivilised" if it charges any fees for providing transit facilities to India. I consider that the view expressed by Dr. Rahman does not make sense as the WTO rules provide for such legitimate fees and charges except customs duties or transit

I think it is against the national interest of Bangladesh to give India a free ride on traffic in transit. While Bangladesh cannot charge transit duties, it should charge administrative fees and other expenses associated with the use of its infrastructure, including the use of roads, railways and rivers based on the actual costs involved. The charging of any fees should not be treated as a customs revenue raising exercise, rather it could be based on the user-pays principle.

This will be in line with the view of Finance Minister A.M.A. Muhith, who announced last year that Bangladesh will take "something" from India for using infrastructure facilities for transport of goods. To be consistent with his announcement, it is now incumbent on him to show real political will and leadership and take credible action to get that "something" from India.

Insincere political statements and subservient foreign policy will not bring any benefit to the country. Creation of confusion by those in power on issues of great national significance creates further problems, with potential adverse impact on public trust in the government and its machineries of administration.

If the Hasina government continues to be surrounded by the so-called "civilised" advisers, it will not receive right, objective and robust advice on the governance of the country. Sycophants and self-seeking advisers or ministers love clinging to power and authority without doing any real service to the prime minister in terms of good governance that benefits the nation and the party in power as well.

Sycophants do harm to the nation through their public behaviour and actions. They understand what is right or wrong but pursue the wrong with the intent of either appeasing their political masters or securing personal benefit. These people are quite clever. Sometimes they pretend to be loyal to an ideology but are actually self-serving in the ultimate analysis.

To conclude, Bangladesh will not be an "uncivilised" nation if it charges "something" from India for the traffic in transit.

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sit, except charges for transportation or those commensurate with administrative expense entailed by transit or with the cost of services rendered." Thus, Bangladesh cannot impose any customs duties or transit duties for goods entering its territory from one part of India for destination to other parts (such as the Eastern part).

So far, so good. I think what is not being pursued in earnest by the Bangladesh government is collecting administrative fees and other charges for services provided to India in its transportation of goods through Bangladesh, whether using Bangladesh's roads, railways or

duties for transport of goods through another country.

Is Egypt an "uncivilised" country because it charges "transit tolls" for foreign ships passing through the Suez Canal? Like Bangladesh, Egypt is a WTO member. Egypt collects transit tolls for ships and vessels passing through the Suez Canal. The Suez Canal Authority of Egypt collects these tolls based on net tonnage of goods transported in transit. The transit toll also depends on the type of vessels passing through the canal -- for example tankers of crude oil or petroleum products, LPG or LNG carriers, container ships and general cargo ships.

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Yunus and Grameen Bank

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AFTER Prime Minister Sheikh Hasina had made some critical observations on Grameen TV documentary late last year, many critics intensified their criticisms of the Bank and its founder Professor Yunus. The criticisms did not stop after a Norwegian government probe found that alleged transfer of funds to another Grameen enterprise was eventually regularised, and the matter was settled.

Other issues were also raised, including one on the legality of Professor Yunus continuing as the managing director of the Bank even after he had crossed the age-limit of sixty. The government decided to investigate this and other matters of the Bank. Around this time the Bangladesh Bank gave directives for removal of Professor Yunus from his position in the Bank. Thereupon, Professor Yunus decided to legally challenge his removal.

However, there are aspects of the Professor Yunus issue that don't relate to the matter in the court, but which are no less important and merit thorough discussion and rightful resolution.

Microcredit given to the poor without collateral as an effort for rural development and poverty alleviation may not be an innovation solely by Professor Yunus, but he made great contributions in conceptualising and institutionalising it by founding Grameen Bank. He devoted most of his intellectual and professional life to this.

Not without reason, it earned him and his Bank worldwide fame and many prestigious international awards, including Nobel Prize for Peace. The Grameen model of microfinance has been replicated in many countries of the world. These are no mean achievements, which brought honour not only to Grameen Bank and Professor Yunus, but also to our country.

While microcredit has not been able to contribute to poverty alleviation in the expected measure as was contemplated initially, it would be unjust not to recognise many positive and progressive socio-economic

impacts the system has made over the years.

Grameen Bank has made great contributions towards women's empowerment in rural Bangladesh. This is very significant in a country where reactionary politics and religious conservatism consider women's emancipation as a threat to their influence.

It is good that Grameen Bank always enjoyed state patronage and assistance. The present prime minister co-chaired the world microcredit summit in New York in 1997, where

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Professor Yunus also played a major part. It is also heartening to remember that replication of the Grameen model of microcredit gained further momentum worldwide after the summit.

Professor Mohammad Yunus used all his talent, time and hard work for Grameen Bank. In the process, he may have made mistakes. His management style, attitude and approach were not always liked by the people he worked with. His role after one-eleven and his move to form a political party gave rise to serious controversies. But he was smart, quick and intelligent to mend his ways. However, it left negative imprints.

What one must admire in Professor Yunus is his originality and innovative approach to the development of rural economy and poverty alleviation. It may not be a full success story, but he was sincere and honest in his endeavour. As a teacher of economics with corrective ideas, he wanted to take economics, banking and development issues from the class room to the practical field of rural economy, and to provide loans to the poor without collateral and engage them in small business.

Yes, his experiment and practice was not an unmixed blessing. Many borrowers became broke. But many more benefited. Number of beneficiaries multiplied, and the Bank flourished. Lapses, of course, would need to be corrected. Importantly, microcredit has also become a social force. More than 8.5 million people, most of them women, are shareholders of the Bank with an estimated share capital of about \$1.5 billion.

I see microcredit without collateral, and for that matter Grameen Bank, not merely as a financial institution but also as a socio-economic movement of a unique type for empowering the people at large, especially the women. It is also an institution for social research and experiment. It needs to be sustained and necessary repairs made to make it more effective. Besides government support, strong Grameen management and active shareholders participation, I believe, Professor Yunus' association with the Bank in some capacity is still necessary for its further expansion.

It is not necessary that Professor Yunus has to be in the Grameen management to make his services available to the Bank. If he is there, fine. If not, the government can use his expertise and dedication in various many ways for the institution he founded and so painstakingly nourished. A position like Emeritus Fellow, or Advisor, or Chair, or any other position befitting the Nobel Laureate in the institution would enable him to positively impact Grameen activities.

The issue thus resolved will not only keep Professor Yunus associated with the Bank with due honour but also help prevent any confusion among the Bank's shareholders, which is necessary for its stability and to avert any negative impacts on other micro-credit institutions in the country. This will also remove any misunderstanding, and stop adverse reactions amongst many of our friends abroad and reaffirm their confidence in our government. This will also close the doors to any vested quarters who might seek to use the issue for their own interests.

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