

Barriers to growth

JICA chief also talks to The Daily Star on local government issues

SAJJADUR RAHMAN

Regulatory and bureaucratic bottlenecks still choke Bangladesh. Insecurities with energy and politics act as additional preventing factors for foreigners to come in.

"I assume regulatory issues cause great sufferings to Japanese investors here," said Toda Takao, chief of Japan International Cooperation Agency (JICA) in Bangladesh, in an interview with The Daily Star recently.

Many Japanese have returned home after experiencing these problems, he said.

Similarly, the JICA country chief complained of an inefficient bureaucracy that is foiling the country's development potential.

"They (bureaucrats) are like feudal lords, though they are supposed to be the servants of the state," said Takao.

The JICA country chief also talked on other issues ranging from infrastructure constraints to governance, traffic jam, overlaps in development works, and bilateral relationship. But most of his interview was focused on local government system and decentralisation, which according to him, can reach public services to the doorstep of people.

"A lot of positive things are also happening here including setting priorities," he said, referring to the government efforts to strengthen local government systems and develop the health care sector across the country.

Japan has been an important bilateral development partner of Bangladesh for years. The recent annual bilateral flow of Japanese official development assistance (ODA) to Bangladesh has reached more than \$400 million. According to the JICA chief, the ODA might reach \$500 million in the near future.

He also shared a number of shadow aspects of his country's cooperation with Bangladesh.



Toda Takao

Currently, the economic giant is helping Bangladesh implement some mega projects including Padma Bridge, Dhaka MRT (mass rapid transit) and Bheramara power plant. Japan also assists Bangladesh through direct mobilisation of its expertise in implementing different projects.

"But the most outstanding activities by Japanese experts are in rural development or local governance," said Takao. "It has started more than 20

years ago by the joint work of Japanese academia and aid practitioners who were enthusiastic about creating pragmatically sustainable model of rural development."

He cited example of Participatory Rural Development Project (PRDP) that has been implemented to consolidate this idea at 20 unions in three upazilas. PRDP has linked people with the government and other stakeholders as well, he pointed out.

Efficiency in service delivery has increased by up to 800 percent and satisfaction by 120 percent with the PRDP model, said the JICA country chief. He said public service should go to the people without which Bangladesh cannot come out of poverty.

The model, according to him, would build up trust and relationship between the people and the government.

Takao also talked on his country's

experience and how it has developed amid a lot of struggles. "What we've done until 1970 was absolute failure," he said.

"Success came after 1973 when we tried to reinforce local government in a bid to protect environment," said Takao.

He also hailed the present government for its increasing efforts to 'connecting policy to people'. Takao also said much of their money has been misused. But now the situation is improving, he added.

The JICA country chief said more and more funds including foreign money would come to the local entities in Bangladesh in the years to come. But he doubts implementation.

"Our resources are scarce and we urge you to utilise the money properly. You need to have a very good system," said Takao.

He, however, said Japan will not cut development assistance to Bangladesh despite the devastating tsunami that hit hard the major Asian economy in March this year. He cited example of Japan's commitment to provide \$670 million for construction of Padma Bridge.

"Tsunami and earthquake were very painful, but we learnt a lot about failure in policies," said the chief representative of JICA in Dhaka.

He asked Bangladesh to learn from experiences. He also lamented poor maintenance of public properties, such as roads and power plants.

Takao said Bangladesh has an installed electricity capacity of more than 6,000 megawatts, but real output is only around 4,000 megawatts, mainly because of poor maintenance.

Despite all these things, he believes Bangladesh has a lot of potential to grow due to the China factor. In China, costs of doing business have gone up, Takao said.

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The JICA country chief was so sad to see the inefficient bureaucracy that is foiling the country's development potential. "They (bureaucrats) are like feudal lords, though they are supposed to be the servants of the state," he said

Will the virus claim Rupert Murdoch himself?

FELIX SALMON, Reuters

The News Corp hacking virus is proving both virulent and highly contagious. Rupert Murdoch tried to treat it with amputation, by closing down the News of the World, but the surgery came too late, and he couldn't prevent the virus from spreading to the Sun and the Sunday Times. At that point, the virus was unstoppable: its next victim was Murdoch's \$12 billion bid to take control of BSkyB. Now, with the UK police investigation barely having started, the virus has managed to jump over the Atlantic: the FBI is getting involved, looking into allegations that Murdoch's papers tried to hack the phones of 9/11 victims.

This isn't the investigation under the Foreign Corrupt Practices Act that Eliot Spitzer was calling for, although that might well come next. Both of them would normally seem like a bit of a stretch -- it's far from clear that anybody at News ever successfully hacked into voicemails on US phones, and it's hard to use the FCPA when there's no clear financial benefit for the company doing the bribing. But these, of course, are not normal times, and the more the virus spreads the more harmful and powerful it becomes. On this side of the pond, Les Hinton in particular is looking vulnerable; he's currently running the Wall Street Journal, and if he ends up falling victim to the virus, there's a chance the WSJ could get infected by association.

This is not an existential crisis for News Corp, a \$42 billion behemoth which will continue to exist in one form or another whatever happens. But it's much more damaging to Rupert Murdoch personally, and to his son James. Both of them are now going to testify in parliament on Tuesday, and there's no way that the experience is going to be a pleasant one for either of them. They can't lie -- the truth is going to come out sooner or later, and neither will want to risk a criminal perjury trial. But at the same time it will defy credulity if Murdoch claims to have had no knowledge of his newspapers' techniques, or if James claims that he genuinely thought the illegal activities were confined to one royal reporter at the News of the World.

Amid all the talk, over the years, about who will succeed Rupert as head of News Corp, no one seriously considered the possibility that Rupert might be forced to step down and hand over control to a non-relation. But there's no doubt that Rupert Murdoch is now a serious liability to News Corp, and that liability wouldn't go away if he were replaced by James.



AFP

News Corporation Chief Rupert Murdoch speaks to the media.

Murdoch has always been more interested in power than money, and so the fact that resigning would make his net worth soar means very little to him. (It's not like he'll ever spend his billions in any case.) But Tuesday's grilling will only be the first of many very difficult situations: the UK and US investigations are going to go on for the foreseeable future, and the headlines will continue to come out in a damaging drip for a long time yet.

Rupert Murdoch turned his father's small media company into a global empire; it has always been his dream to keep News Corp in the Murdoch family for generations

to come. But that dream has never looked less likely than it does right now; the virus is closing in on the Murdochs, and their immunity to the virus, which was weak to begin with, is rapidly disappearing. It's a story fit for the movies: even after huge triumphs like acquiring the WSJ and releasing Avatar, Murdoch could be doomed by his first love -- the love of aggressive tabloid journalism. He's tough: he'll try to hold out for as long as he can. But he's human, too. I wouldn't be at all surprised if someone within News Corp weren't working right now on a face-saving exit for one of the most successful media moguls of any era.

Tip for the Murdochs: don't be yourselves

CHRIS HUGHES

Don't be yourselves. That's probably the best tip for Rupert and James Murdoch as they prepare to face UK lawmakers over the phone hacking scandal engulfing the UK newspaper arm of News Corporation.

Rupert is used to pushing people around. James argues with a passion when challenged. These are great skills in business, but will be handicaps in an event that is part investigation, part show trial.

True, the pair have dealt with some potentially difficult issues. News Corp has pulled its controversial bid to take full control of UK satellite broadcaster BSkyB. Rebekah Brooks, a former editor of the News of the World newspaper at the center of the hacking story, has stood down as chief executive of News International, the UK arm of News Corp. She is being replaced by someone who doesn't have embarrassing links to British politicians. What's more, the Guardian newspaper retracted one of its most serious allegations against News International.

Rupert is also to publish full-page apologies in his newspapers this weekend. But he sounded a bum note in an interview with one of his own newspapers, The Wall Street Journal, when he said News Corp had made only "minor mistakes" in its handling of a crisis that has wiped 14 percent off the company's market value. The group has been repeatedly behind its own story. It was better that Brooks' resignation arrived late rather than never, but it had less effect for coming after the Murdochs gave her their public backing. The Murdochs even flip-flopped over whether to appear before next week's hearing at all.

In U.S. congressional hearings Rupert has come across reasonably well. But it's hard to win in these situations when you are the subject of the inquiry and the opprobrium. Former BP boss Tony Hayward tried stonewalling in front of U.S. lawmakers, a tactic that avoided self-incrimination but made him only more unpopular. Fred Goodwin, the former chief executive of Royal Bank of Scotland, hit back at UK parliamentarians but that didn't win him any friends. Goldman Sachs boss Lloyd Blankfein came across as over-rehearsed and over-lawyered.

The best tactic is to keep calm and avoid letting ego or excuses drown out a prevailing message of contrition. The Murdochs need to suppress their instincts and let themselves be seen to be kicked.

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