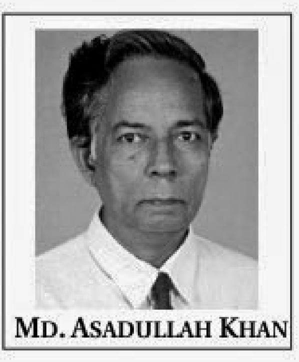
BITTER TRUTH

Poor governance fuels corruption



Md. Asadullah Khan

PEOPLE might recall that while speaking in an anti-poverty rally in 2009, Prime Minister Sheikh Hasina cautioned that none would be spared for graft and wrongdoing, regardless of party affiliation. Speaker of the Parliament Advocate Abdul Hamid, who presided over the rally, stressed that curbing corruption and ensuring good "governance" were preconditions for having a poverty free society.

Paradoxically, we have too much government but too little governance. Good governance means setting targets, achieving goals and delivering results. The big talk in the country is endemic corruption in the corridors of power and business.

Corruption has invaded the very fabric of our society, with the education sector becoming the latest victim. Knowledge today is an international commodity. As the world becomes frenetically competitive, nations realise the value of good quality higher education. Bangladesh can only stand at par with the rest of the world if its education system is strong.

As reported in the *Prothom Alo* on July 2, a college called Cambrian College runs in some structures that were earlier used as shops. It has been admitting students for the last three years without the approval of the Comilla Board. Nine more colleges in six districts under Comilla Board have been doing education business for the last few years.

A coaching centre called Paragon has recently sprung up at Bhairab town and has been trying to attract students with photos of the students who showed brilliance in university admission test after having coaching from the centre. Nargis Begum, the illiterate mother of Forhad, was shocked to see her son's photo on a poster. When interviewed by the *Prothom Alo* correspondent, Nargis said that her son had never been in a school. Forhad said that his name was changed to Abdur Rahman in the photo poster of 27 successful candidates. Unless the government takes stringent measures against this racket, the whole educational structure of the country will collapse.

Deluged by a barrage of complaints in the media and sources close to him, the education minister paid a surprise visit to the administrative branch of the D.G. office and detected wrongdoing by some employees. He took action against some of them and installed a sealed complaint box in the education directorate office so that the victims could submit in writing their tales of sufferings and harassment.

Despite pledges by the present government to rid the county of the scourge of corruption, it continues to corrode the soul of the country's political structure, bringing in its wake an apparent collapse of the country's governmental and political institutions.

The prime minister, who is so passionate in her crusade against corruption, cannot achieve the desired objective because people around her seem to be busy pursuing their own causes, often in total disregard of the national interest.

Corruption is inevitable in a system that disallows sacking of officials or booking of culprits with an iron hand.

The world has changed with economic liberalisation jumpstarting the economies of many countries. But there is a disturbing corollary in Bangladesh; scam, apathy towards calamities, corruption, rapidly deteriorating national infrastructure of schools and colleges, healthcare, roads, railways, power and civic amenities, with consequent shrinking of investment.

A Bangla daily's report on August 27 about an attempt to grab road construction works of Dhaka City Corporation (DCC), amounting to Tk.96 crore, without floating tenders in the widely circulated dailies is somewhat mind boggling. The DCC mayor, as the chief executive, can't absolve himself of his responsibilities in cleaning up the mess that has plagued this vital utility organisation long since.

A report published in a Bangla daily on July 30 indicated that Parliament members have to be provided with pencil and pad when the Parliament is in session. But some unscrupulous employees of the Parliament Secretariat withdrew Tk.1.5 lakh every month by submitting fake vouchers without supplying pencils everyday, although the bill was prepared for 30 pencils for each member, with each pencil costing Tk.15. When this fraudulence was brought to the notice of the speaker, he issued secret directives to count the number of pencils lying on the tables after the winding up of the parliament session for the day, and it was found that only 7 out of 348 pencils were missing. In the same way, the speaker and deputy speaker brought down the monthly entertainment bill of their office to half the amount spent in earlier days by changing the caterer.

People learnt with horror and trepidation that 500 drums of liquid pesticide supplied to DCC for eradication of mosquitoes contained only water. There is no reason to believe that the stores officer of the DCC was alone to blame for this scam. High-ups in the DCC administration and the supplier may have also been involved.

Disgust, or more appropriately hatred, was probably the overwhelming feeling in the past two weeks because of the sickening news of scams being unearthed with each passing day. Shocking lapses of the agencies concerned and unforgivable bad governance now see Bangladesh sliding into a distress zone, causing heavy losses, hitting development targets and resulting in deaths, diseases and lost image.

But rhetoric can't fill the stomach. What the average person does care about is governance, the sort of governance that would make a real difference to his life. Successive governments were unable to provide this and the trend, unfortunately, still continues, with ominous consequences for the nation and the ruling party. Corruption is inevitable in a system that disallows sacking of officials or booking of culprits with an iron hand.

There is reason to feel dismayed when people hear the ACC chief saying: "We have been made toothless and our claws are being clipped from our paws in the name of reforming laws." The people also feel that slipshod criminal investigation and slow judicial process are the main reasons why corrupt officials, unscrupulous businessmen and some greedy politicians simply disappear instead of being brought to justice.

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Europe's debt crisis fuels civil resistance

Peter Custers

THE events were clearly a sequel to the crisis over the US's public debt, and once again the need for introspection was all too obvious. On July 21, representatives of European governments agreed to a new package of loans to Greece, so as to pre-empt a default on Greece's obligations to its foreign creditors. The approval of the package did not signal a solution to Europe's debt crisis, but the failure of the first package agreed on last year.

Europe's financial markets continued to slide, as they continued to be reigned by the fear that Greece would ultimately default, and that a default would have a domino effect on other states considered "peripheral" to the European Union and to the Euro currency zone. Hence, by mid-August, Europe's two most powerful politicians, French President Sarkozy and German Chancellor Merkel, hastily got together for a bilateral summit. They launched fresh-sounding ideas, such as the view that economic policymaking should henceforth be coordinated in Europe and agreed that taxes should be levied on financial transactions.

But these pronouncements were received with great scepticism. For days after the summit took place, share-prices in Europe's financial markets continued to tumble. Some European banks saw their share prices fall by 30% or 40% in just two weeks! Clearly, the Western world is beset not by one, but two major debt crises. And the question that urgently needs to be answered is: how come Europe seems incapable of solving its own crisis?

To answer this question it is useful to scrutinise the case of Greece, which is considered Europe's weakest link. When the world financial crisis erupted in 2008, most Western states resorted to lending massive amounts of money to save their tottering banks. Whereas previous to the crisis states belonging to the Euro zone were obliged to keep budgetary deficits within strict limits -- this rule was temporarily abandoned, and public debts of most European states grew apace. Thus, Germany's debt in 2010 reached a record level of •2 trillion -- up 18% from the previous year. It reportedly constituted 80% of the country's Gross Domestic Product (GDP).

The public debt of Italy, which like Germany is considered a pillar of the European Union, stands at 120% of GDP. Hence, Greece is not by any means the only country in Europe which has failed to prevent a rise in the level of its debt. And yet the case of Greece is special because no other country in the Euro-zone has become the target of ruthless speculation. As Greece's public debt stands at a record 153% of GDP, it is forced to pay interest rates to its lenders that are outright usurious.

Hovering around 15%, Greece' payments over loans contracted with private lenders, such as French and German banks, is higher than the interest rate paid by any other state in the European Union. Some German economists argue that this is helpful since it forces Greece to put its house in order. But the interest rate primarily shows that Europe's leading banks dominate over the Union and its members.

We may next note the extraordinary inefficiency of the disciplinary measures imposed on Greece. When the country first threatened to default on its repayment obligations in April last year, the EU and the International Monetary Fund (IMF) together devised an "aid" package that included standard austerity measures, such as reductions in social spending and in wages of state employees, and also the obligation to sell-off •56 billion of state properties.

Austerity measures and privatisation of state companies have, of course, been familiar conditions of the IMF's "aid" packages all through the era of neo-liberalism. But the unhealthy nature of the impositions has rarely been as quickly apparent as in the case of Greece. For, whereas the EU and the IMF argue that the balancing of Greece's government budget is necessary in order to "get the economy going," i.e. to help Greece resume its growth, the opposite has been the case. Last year, the Greek economy reportedly faced a negative growth rate of no less that 6.9%!

Europe is witnessing a growing gap between policymakers and the under-privileged who are forced to bear the brunt of the crisis. The world financial crisis of 2008 has laid bare the need to tame the power of the financial sector, and the need for enhanced state-interventions.

Even a child could tell the EU and the IMF that if debts exceed the amount a debtor manages to produce in one year, and if the interest rate over the debtor's debt, or over a major part of his debt, stands at 15%, he is unlikely to see his capital wealth growth. Instead, it is likely he will sink further into the morass. Hence, the conditionalities imposed on Greece are not just deeply unjust. They bring the moment of Greece's default closer.

Before returning to a broader assessment of European policymaking, we should briefly note the fierceness of Greek resistance against the government's austerities. The measures being imposed in the wake of the 2008 financial crisis have evoked protests all over Europe. There were massive strikes by workers in France last October; Spain had seen the emergence of a new youth movement, the "indignados," earlier this year; and England, well before violent riots of the unemployed youth erupted in London last month, had seen the emergence of a militant anti-austerity movement.

In December 2010 for instance, British students revolted against the reduction in educational budgets and increases in university admission fees by Cameron's government. And numerous groups have staged direct actions against tax evasion by corporations such as Vodafone.

But it is in Greece where the anti-austerity protests have unequivocally taken the form of civil disobedience. On the one hand, the country's leading trade unions have staged general strikes -- both when the first international plan against a default was adopted last year, and earlier this year. On the other hand, a reported 50% of Greece's population supports what's called the "We Won't Pay" offensive. This has taken the form of people's refusal to pay for road-tolls -- a system widely considered as highly corrupt. People in Greece's capital Athens also refuse to pay for the city's metro tickets, and in the country's second largest city, Thessaloniki, people have been running a bus-fare boycott. Both the struggles against privatisation and the road-toll protests have put Greece's parliament and government on the defensive.

Thus, Europe is witnessing a growing gap between policymakers and the under-privileged who are forced to bear the brunt of the crisis. The world financial crisis of 2008 has laid bare the need to tame the power of the financial sector, and the need for enhanced state-interventions. Yet, contrary to other world powers, the EU and its member states have failed to institute any significant civilian-Keynesian policies. Whereas China and the US adopted measures to stimulate consumer demand and investments the European Union has continued singing its old tune -- obliging its members to re-balance their budgets while failing to develop any alternative to neo-liberalism.

When the crisis over sovereign debts expanded, the EU felt compelled to partly counter the might of the European banks. It instituted a European level emergency fund of •440 billion and enhanced the role of Europe's Central Bank. Yet, as events in Europe's stock exchanges in August have clarified, these measures are far from sufficient to tame the financial markets. As a sequel to the two mentioned innovations, politicians are now debating the idea of issuing Eurobonds. Meanwhile, few appear to realise that a far more drastic shift in European-level policymaking is called for. As the banks continue to play havoc over Europe's weaker states, one wonders when Europe's policymakers will wake up.

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(This article is a sequel to his article "The US Debt Crisis: A Retrospective View" published on August 8.)

Water sharing: Agree to disagree

Although the Teesta water sharing Treaty was not signed during the visit of the prime minister of India a number of agreements and MOUs have been signed which can bring long-term dividends to Bangladesh. They can be welcomed, but we remain concerned about equitable water sharing.

Selina Mohsin

WAS it surprising that, at the last moment, the Chief Minister of Paschimbanga decided not to accompany the Prime Minister of India to Bangladesh? Perhaps not, even though bilateral relations between the two countries are cordial, especially since the visit of Sheikh Hasina to India in 2010. The ruling party of Bangladesh has made every effort to improve relations, so where did the problem lie?

In India's federal system of government, individual states have sole authority over their rivers and any sharing must have the consensus of the government of the concerned state. Was Mamta Bannerjee not informed on a regular basis? How far did the Bangladesh government representatives negotiate with her on the Teesta deal? Even if they did not, according to reports Mamta had been in close contact with Delhi. Her U-turn must therefore have political significance. Perhaps, at the last minute, Mamta felt that the interests of her state and her popularity would be jeopardised by a 50-50 share of the Teesta water. The news provoked uproar in Bangladesh and sharp political debates broke out in the media.

Originating in Sikkim the Teesta river flows through Bangladesh to the Bay of Bengal. Both countries have an arrangement to share 75% of the water. The remaining 25% has become a controversial issue. Moreover, the Teesta river barrage at Gozaldoba in India controls the amount of river flow to the lower riparian state. This exclusive control, if badly used, could lead to floods during the rainy seasons and droughts in dry ones, thereby causing immeasurable harm to the people of northern Bangladesh. Too much or too little water will adversely impact over 63% of the total cropped area. This would also disrupt agricultural production, create health hazards, change the hydraulic character of the river and dangerously alter the ecology of the region. For instance, in 1982, severe food shortages in Bangladesh were attributed by the United Nations to the scarcity of Ganges water.

Prashanta Majumdar, an MP from Paschimbanga, strongly felt that an equitable share of the Teesta between the two countries might lead to crisis in the northern region from where he himself was elected. Even within India, water conflicts between states have caused much dissension, with the river Kaveri flowing through Karnataka and Tamil Nadu being one of the most well-known examples.

Even in water-rich basins such as the Mekong and the Euphrates, low flow of water during droughts can turn into disputes when upper-riparians have developed storage capacity. Examples can be cited of Vietnam and Thailand against China over the Mekong and Syria and Iraq against Turkey over the Euphrates. The UN 1997 Convention upholds cooperation, negotiation, consultation and equitable distribution of water resources. The Indus Water Treaty of 1960 has, however, provided a good example of water-sharing, which has survived the rocky relations between India and Pakistan. It has reservoirs for storage but also judicious water management and a strong external arbitrator.

Disputes over bilateral treaties and agreements are best resolved mutually although the Ganges Water dispute was included in the UN Agenda in 1976 as a result of the scale of the crisis when 33 million people of Bangladesh were adversely affected. The signing of the Ganges Water Treaty in 1977 displayed a spirit of collaboration by India.

Hydropolitics is a fast emerging area of international diplomacy in the 21st century and is receiving greater attention as water resources become scarcer and demand rises, thereby necessitating better management and sustainable use of this valuable resource.

Although the Teesta water sharing Treaty was not signed during the visit of the prime minister of India a number of agreements and MOUs have been signed which can bring long-term dividends to Bangladesh. They can be welcomed, but we remain concerned about equitable water sharing.

Out of over 300 rivers in Bangladesh 57 are trans-boundary, out of which 54 flow through India and 3 through Myanmar. Since this one water sharing treaty has been so complex, time consuming and yet subject to this latest set back, throwing gloom over a much awaited visit, then what protracted negotiations and delays might occur with the other rivers? A spirit of cooperation and astute diplomacy will become increasingly necessary in hydropolitics.

There is also public opinion to be considered. Although Prime Minister Sheikh Hasina forged strong links with India, and even though sensitive negotiations cannot always be made public, it is widely felt that civil society and opposition parties of Bangladesh could have been kept somewhat more in the loop during the prolonged negotiations and discussions leading to the visit of Manmohan Singh. Details of the negotiations were not clearly known, nor the complex issues at stake explained. Interviews by government representatives painted an overly optimistic picture with little information of the background work accomplished. Many could only surmise, speculate or infer without adequate knowledge.

Diplomacy is based on reciprocity. Given the Teesta setback, Bangladesh has requested a delay in dealing with questions of transit. Soon after, Manmohan Singh stated that India would follow "principles of equity, and fair play with no harm to either party." This is a difficult game to play. We can only wait with anticipation, with the transit issue as a negotiating asset. At the time of the visit, the football teams from Argentina and Nigeria provided welcome relief to counter the disappointment that the visit had not achieved all that had been expected. After all, nothing can beat good sports.

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