FOUNDER EDITOR LATE S. M. ALI

**DHAKA MONDAY MAY 7, 2012** 

### Secretary of State's visit

A new high in Bangladesh **US** relations

LTHOUGH the ostensible purpose of the visit of the US Secretary of State to Dhaka was to forma-lise the issue of Bangladesh--US Partnership Dialogue, the visit has been significant in more ways than one. It has for one thing, moved the level of bilateral relationship to a higher degree and for another, formally brought Bangladesh in the strategic radar of the US. Ms. Clinton's comments covered both the internal political situation as well as the strategic compulsions.

As far as the internal developments in Bangladesh are concerned we feel she has echoed the sentiments of the greater majority of Bangladeshis with her candid comments that are widely shared and have been constantly expressed by all segments of the society here. Notable in the comments is the urgency for resolution of conflictive issues between the two parties and stimulation of such a state that would see politics and economy complement each other for a holistic growth of the country.

There is little doubt that democracy will remain hollow if the rule of law is disregarded and which will inevitably result in the institutions being stunted. Providing security to its people is the bounden duty of the state that cannot countenance any excuse, and that is what needs to addressed earnestly by the government.

Her call for dialogue to find solutions to seemingly intractable issues finds strong resonance among the right thinking ones too. Certainly, hartal, and the violence associated with it, as we have seen in very recent times, as well as in the past, can only exacerbate the situation and not solve it. It is not only the poor that are the worst sufferers it discourages foreign investment too, something which Bangladesh needs so badly.

However, the most significant issue addressed during the visit is the commitment of both countries to meet annually for consultations on various issues of mutual concern and addressing them to their mutual benefits. We welcome this given that the issues cover a wide range of subjects that fall within the rubric of human security from crimes to climes and from combating terrorism to extremism and women's empowerment. We are interested to see how each of these aspects is addressed in the future.

## Lack of financing of local bodies

Development works hindered

HIS is an age-old quandary for elected local government officials in Bangladesh. The disappointment of the electorate at district and union levels runs deep, since despite having voted their candidate of choice to official capacity, desired changes in terms of development work hardly take place in respective constituencies. But then it is not the fault of public representatives, rather it is the system of allocation of development funds that is done centrally which is to blame. These matters and others surfaced at a round table

held in the city that brought together diverse opinion leaders, experts, academics and public representatives to find avenues out of the problem. What has surfaced is the fact that with the bulk of resources controlled by the government at the centre and local representatives having access to a paltry 2.59% of the annual development programme, there is a never ending dearth of resources haunting local government institutions. One feasible way out of this resource-famine is to have more control over financial resources locally. This can come about in two ways: more funds are allocated by the centre underpinned by delegation of financial authority; and, empower local bodies to generate funds locally.

Making all this happen of course will require a lot of willpower and commitment by the government of the day. Despite tall talks, in reality, it is the power at the centre that has been reinforced throughout the decades and not the other way round. This paper has advocated in the past and will continue to do so for strong local governance in the future. For whatever may be the politics at the centre, it is the local bodies and institutions that are closest to the people and should development 'fail' at this stage, it stands to reason that it will fail at the national

**緩 THIS DAY IN HISTORY** 緣

May 7

Treaty of Moscow: Soviet Russia recognizes the independence of

the Democratic Republic of Georgia only to invade the country six

The Norway Debate in the British House of Commons begins, and

leads to the replacement of Prime Minister Neville Chamberlain

Indochina War: The Battle of Dien Bien Phu ends in a French

defeat and a Vietnamese victory (the battle began on March 13).

The Council of Europe is founded during the Hague Congress.

Birth of Nobel Laureate Rabindranath Tagore.

with Winston Churchill three days later.

1861

1920

1940

1948

1954

1974

months later.

**BEHIND THE HEADLINES** 

## Bangladesh at crossroads



HOSSAIN ZILLUR RAHMAN

against odds perhaps best expresses the essence of the Bangladesh story. But it has never been a foregone conclu-

sion. Indeed, every crisis since independence whether natural or manmade had at the time seemed like the end of the road. Only the concerted efforts of a myriad range of actors helped to turn the corners. While leaders repeatedly showed feet of clay, the man and woman on the ground quietly soldiered on with determination and ingenuity. And produced outcomes that have rightly earned the marvel of the world be it in economic resilience or social progress. But a new danger is afoot that of premature and ill-served complacency.

Even as Bangladesh's economic potential and strategic significance is gaining newer audiences in the global arena, the odds against realising such potentials are also piling up. Sycophantic rhetoric is triumphing over substance in the corridors of power. Authoritarian mind-sets are casting ever-darkening shadows over the initiative space of society threatening to break down the very social compact by which Bangladesh has come thus far. A spoils without standards approach to manning the state is worsening a capacity crisis at the very moment when the challenge of strategic engagement on emerging opportunities is at a peak. Bangladesh has been at crossroads before. But the odds now loom larger than ever.

Ever since 1991 when a new era of competitive electoral politics began, the economic balance-sheet has consistently been brighter than the politi-

cal balance-sheet. The entrepreneurial energy of a broad swath of economic actors including women, targeted reforms and relative tolerance of social initiatives played a large role in ensuring the brighter economic record. But after twenty odd years of "progressive economics, flawed politics," this particular dynamic appears to be reaching its limit. Every electoral cycle has witnessed a worsening partisan spirit in running the state that coupled with rampant sycophancy has now reached levels that is impinging upon the very functioning capacity of the state. The "low hanging fruits" on the economic frontier have been plucked but the larger challenge of engaging on big-ticket reforms such as

not in their aspirations which remain robust but rather in front of the power realities of politics and state, is truly a new phenomenon and a direct indictment on all who espouse the cause of a democratic and humane society.

Some other trends too bear scrutiny. The economic success of Bangladesh has generally been based on a broad-based growth process with participation by many rather than only favoured few. But we may now be witnessing the determined entry of a new paradigm. Crony capitalism, where corrupt links to power serves as the primary capital, where efficiency is the least concern and where norms are casually dispensable, is fast becoming the mainstream economic story. Such trends had been there

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energy and infrastructure as well as decisive action against corruption needed for the next advances has become hostage to the quality of politics being practiced. These trends have been compounded by qualitatively new insecurities in hitherto uncontested areas such as freedom of speech and social entrepreneurship.

Some trends are truly eye-openers. The state has always had a coercive face but there appears to be a new sense of impunity with which norms are being disregarded. The concern is not only about the statistics of human rights violations but more poignantly about a rapidly eroding confidence in the possibility of redress. The sense of disempowerment by ordinary citizens,

earlier too but the new phenomenon is the brazenness of such clout and their seeming operation beyond any accountability.

Bangladesh had been at crossroads before. But this time it is so at a time of great strategic transformations in its neighbourhood. China and India are the emerging drivers of the global economy. Myanmar is poised to emerge as a key regional player. USA has signaled an Asian pivot in its foreign policy. The Bay of Bengal has the potential to emerge as a potent driver of regional cooperation. The importance of being a more capable player in such transformational strategic environment is thus far more acute for Bangladesh than in any of its earlier

crossroads moments. That is why it is so frustrating that the political class remains myopically glued to its zerosum electoral contest.

& EDITORIAL

The incumbent has gone for overreach and the ground reality is that over-reach is not sustainable. The competitor has the sympathy due to any underdog but has not demonstrated any decisive change in its political culture than can inspire more enduring support. The familiarity of the political impasse is one facet of the crossroads Bangladesh faces. Few imagined that the impasse would re-assert itself so decisively in so short a time since the last election. But re-assert it has and our reservoirs of optimism are being tested anew as to the road ahead.

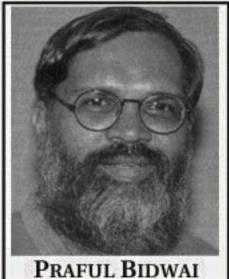
The political impasse is not the only crossroads we face. A vocabulary of intolerance has seeped into our body politic making it ever harder to find the crucial middle ground that alone sustains a vibrant and healthy society. The poisonous brew is continually finding new breeding grounds in the professions, in the communities, in the business worlds. This in the longer run is a crisis even bigger than the political impasse.

Bangladesh has won against odds before. I am confident it will do so again. But my confidence is tempered with the hard realisation that only active and sustained initiatives from within society can create the momentum to forge the way out. Let the political actors deal with the political impasse. Let us, individual citizens, retrieve and consolidate the vanishing middle ground and raise the voice accordingly. There are many entry points. It is important to begin now.

The writer is an economist and a former adviser to

#### PRAFUL BIDWAI COLUMN

# Breathing fresh life into the Congress



PRAFUL BIDWAI

**IGHT** weeks after the Congress lost legislature elections in four out of five Indian states, it's finally acknowledging its crisis. It has serious difficul-

ties in managing its allies. It's demoralised. And the United Progressive Alliance government is losing ground as drifts further Rightwards.

Few Congress leaders believe the UPA can win the 2014 Lok Sabha election if it continues along its present course. They are bracing for the Assembly elections in Gujarat, Karnataka and Himachal Pradesh, all Bharatiya Janata Party-ruled states, later this year, and in Madhya Pradesh, Chhattisgarh (also BJP-ruled), Rajasthan and Delhi next year.

In partial acknowledgment of this, central ministers Jairam Ramesh and Salman Khurshid have offered to step down and devote themselves to party work. There's talk of another Kamaraj Plan, a major effort to revamp the Congress launched in 1963 by the then party president.

Then, reorganisation, based on a cabinet purge, infused new energy into the Congress and strengthened its Left wing. Today, the party is worse placed to revamp itself. It stands disconnected from grassroots-level social forces. In most states, it's run by a plutocracy, which doesn't even believe in the aam aadmi election slogan, leave alone roots among the underprivileged. Worse, the division of labour between

the government and the party is slanted in the former's favour. The Manmohan Singh government remains a prisoner of pro-Big Business policies which expropriate natural resources and poor people's livelihoods.

These policies, and high inflation, have combined with innumerable corruption scandals to make the UPA deeply

unpopular. In its second avatar, the UPA has failed to live up to its "inclusive growth" promise. India's GDP growth is profoundly iniquitous and has widened

rich-poor disparities. What the Congress needs is not just house-cleaning, but a change of overall approach and policy which brings it in line with the natural centre of gravity of politics. Because of the unaddressed agendas of poverty, inequality and lack of opportunity in India, that centre lies on the Left. The Congress must appeal not to the consumerist elite, but to the poor from a Left-leaning platform.

Yet today, for the first time, the Congress has no Left-inclined ginger group, comparable to the Young Turks or the Nehru Forum of the 1970s, which could impel it to reconnect to the

UPA-2 came through as meanminded and anti-poor in the way it handled the Food Security Bill. It undermined the recommendations of the National Advisory Council headed by Sonia Gandhi; drastically reduced foodgrain entitlements and arbitrarily created three categories of beneficiaries. Instead of establishing universal entitlements, it resorted to highly abuse-prone "targeting."

The UPA is bereft of new ideas which could reduce widespread deprivation, or help realise the people's fundamental right to live with human dignity. The latest National Sample Survey figures show that 66% of the people don't have enough to eat. By all accounts, other forms of poverty, e.g. lack of access to common property resources like pas-

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masses. Nor is it subject to an external progressive influence, as in 2004-08, when it was dependent on the Left parties.

Having a Left-leaning orientation and progressive pro-people agendas is not a matter of personal preference, but a precondition for electoral success for parties like the Congress.

Unlike UPA-1, which introduced the National Rural Employment Guarantee Act and the Right to Information Act, UPA-2 can claim no major progressive measure which corrects structural inequalities and imbalances. A partial exception is the Right to Education Act, which gives underprivileged children access to school education. But its implementation will need grassroots mobilisation.

tures, have sharply worsened.

High GDP growth hasn't made an iota of difference to this bottom two-thirds. Even if GDP grows at 10%, their lot won' improve. The problem isn't growth; it's how much of it goes to the underprivileged vis-a-vis the top 10-15%.

The Indian government's failure on distribution is all the more grave because its revenue income has more than tripled over the past five years. It's today better placed than at any other time to do something substantial for the underprivileged. Instead, it has cut the NREGA budget and raised subsidies for the rich.

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and Dr. Manmohan Singh under which he follows viciously anti-poor policies, which

further alienate the underprivileged.

Ms. Gandhi probably set up this arrangement in the hope that her son would soon succeed Dr. Singh. After the Congress's poor showing in Uttar Pradesh, that isn't about to happen. In general, Rahul Gandhi's strategy of rejuvenating the party through the Youth Congress hasn't worked.

Sonia Gandhi must play a more activist role vis-à-vis the government. This doesn't mean that she should interfere in its day-to-day working. But it would be legitimate for her to set clear policy parameters for the government. She has an institutional mechanism at hand to do this -- the National Advisory Council.

The trouble is, the present NAC, unlike its predecessor, is weak and compromised. There's no synergy between it and external political or civil society forces. The Council includes some diehard neoliberals. This isn't conducive to Leftleaning policies.

Jean Dreze, an outstanding social scientist, and Amartya Sen's collaborator, quit the NAC out of frustration over the Food Security Bill.

Sonia Gandhi must reorganise the NAC by removing conservatives and inducting progressives. Dreze, Mani Shankar Aiyar and Jairam Ramesh are potential candidates for inclusion, besides civil society representatives. Equally important, the NAC should not be treated as a decorative body whose advice doesn't bind the Congress, or as an institution which must negotiate its recommendations with the government.

The truth is, the Congress lacks the internal resources to pull itself up by the bootstraps. It can acquire them only by reconnecting with social movements around defence of livelihoods against predatory capital, and extension of people's rights. The NAC could usefully mediate in this.

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#### 2000 Vladimir Putin is inaugurated president of Russia.

West German Chancellor Willy Brandt resigns.