

CROSS TALK

Business environment deteriorating

Nagging problems hurt competitiveness

BANGLADESH recorded a steep fall of 10 points to 118 out of 144 countries in the Global Competitiveness Index 2012-13. The respected annual publication brought out by the World Economic Forum is based on a survey of 14,000 industrialists and business leaders that included 87 medium and large companies in the country. Indicators that helped plunge Bangladesh's ranking include the sorry state of infrastructure, inadequate access to finance and widespread corruption.

The results were not altogether surprising given that the financial meltdown the capital market suffered at the end of 2010 from which the country is yet to recover. The rising cost of doing business where "speed money", i.e. bribes having become a regular feature of securing new contracts coupled with the growing perception within the business community that the State is failing to maintain proper regulatory control in the banking sector -- all helped to tip the scales against Bangladesh's favour in the global index. Nagging problems with the country's power generation helped further erode confidence, particularly in the backdrop of significant financial commitments to the sector and the upward spiral in power tariff has made production more expensive and raised concerns of weak macroeconomic management.

The fact that there have been little in way of improvement be it the sorry state of road communication, ensuring proper gas supply to industry or institutionalising proper regulatory monitoring of the country's bourses, all point to a deteriorating state of governance in the country. The State's lack of capacity to handle not one but four major areas, i.e. poor infrastructure, corruption, lack of access to finance and to a lesser degree, impending political instability due to politics of confrontation, do not bode well for improving the investment climate in Bangladesh. With multiple banking scams that have rocked the nation in 2012 and corruption charges levelled against high level public officials on the alleged Padma Bridge graft, the half-hearted attempts to plug the loopholes in the system, let alone bring those guilty to book, are tantamount to sending the wrong signal to potential global investors that Bangladesh is a country worth doing business in.

We condemn attack on school headmaster

Culprit must be brought to book

VIOLENCE and extortion by BCL activists in public educational institutions across the country had marked the first half of the ruling alliance's tenure. So much so that on occasions the prime minister herself had to intervene in order to curb hooliganism. As BCL high-handedness caused uproar in media, things apparently changed a little for the better and people at large expected a congenial atmosphere to be restored in colleges and universities. But even in the penultimate year of the ruling alliance, their unruly behaviour is often manifested.

In the last instance, Tangail district BCL vice-president along with some others allegedly assaulted the headmaster of the Bindubansini Government High School on Tuesday. The brutal attack left the teacher severely injured but we are deeply pained to see that the attackers still remain at large. We condemn this atrocity on a headmaster of a school and demand immediate arrest and exemplary punishment of the culprits.

For all we know, the headmaster refused to give in to the pressure of enrolling three students of the BCL men's choice. Every school has a managing committee and it is solely for it to decide such matters. How could some BCL men who have nothing to do with that school or its managing committee, have the temerity to meddle in a school's internal affairs and that too, in such a violent manner?

If the AL cares about a healthy political culture amongst the students, it must keep the unruly BCL elements, often accused of violence and vandalism, in rein and mould them substantially so as to foster the sense that student politics is fundamentally about students'



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TIME has come to give it a name. Ignore a scam enough times and it will go away, because public memory, like

waves in a sea, crashes as quickly as it swells. One man who understands it is our finance minister, who knows that a few scams aren't the end of the world. So, Tk.4,000 crore swindled out of a bank isn't a big deal, but a vicious invention of the malicious media. Give it a name to the man's credit. The Muhith Doctrine is the inverse of the Goebbels Doctrine: Deny a truth hundred times, and it doesn't exist.

If Nero fiddled while Rome burned, Muhith is muddling. Penny wise and pound foolish, he has been bad with numbers. The country is desperately looking for Tk.240 billion for a dream bridge, so much so that some of us even offered to sell their kidneys to raise money. Children offered their tiffin money. Government employees came forward to give their one month's salary. So many others wanted to make so much sacrifice that for a while it seemed each and every one of us lived for this country.

Meanwhile, much more money went missing under the minister's watch. At conservative estimate Tk.315 billion has been swindled from banks and people of this country in last couple of years. Some people

claim four Padma Bridges could be built with the Tk.800 billion skimmed from the stock market. But let us stick to the Tk.200 billion estimated in the probe report. Hall-Mark Group swindled Tk.36 billion from Sonali Bank. Unipay-2 had earlier defrauded its members out of Tk.60 billion. Destiny Group cheated its clients out of Tk.15 billion. Add them up, there's enough money to thumb our nose at the World Bank and its entire ilk.

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nation that now operates at an advanced level of greed. It's too tedious to cheat people for small amounts. More fun to cheat banks and make a killing. The minister is fanning that fire.

Given that economy of scale in cheating, one must admit that defrauding billions out of banks is not as easy as defrauding billions out of people on the street. It couldn't happen because a branch manager or couple of DMDs wished to act in cahoots with their client. The MD,

cracks. The hurricane has been downgraded to a disappointing mist.

If the government meant business, it should have started with the top layer of Sonali Bank. The managing director of Hall-Mark Group should have been thrown in jail much earlier. The man should have had no time to brag he has assets worth twenty times the money he plundered from banks!

As always, our finance minister comes as icing on the cake. Every time there is a financial scam, he hems and haws, mumbles and grumbles and gives his outbursts in incoherent speeches. This minister with his words of mouth is as threatening to our common sense as a child with crayons in his hand is for the walls of a freshly-painted house.

The three-and-a-half years of this finance minister are comparable to the last days of the last Mughal emperor Bahadur Shah II, who had no authority beyond the city of Shahjahanabad. The minister pours all his authority into the microphones held before him because his writ of mandamus is limited to his mouth. A classic Freudian example, he deals with his contradictions not by eliminating them, but by getting into accord with them.

The minister makes an example of it every time he opens his mouth. Only the Muhith Doctrine can explain why he still doesn't have the decency to quit.

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Suddenly, there is urgency in our greed. It's no longer satisfying to will from the bottle. Some are heading straight for the brewery.

Thomas Nixon Carver was an American economist, who wrote in 1920 that dumping money into the sea is better for society than spending it wastefully. We are a society that does both. We are a wastefully wasted

chairman and rest of the board in order of that hierarchy had to have some inkling of it.

Unless all of them did what they were told. Political influence can have the same stupefying effect as drunk driving. One can go through red lights or cross speed limits without thinking.

The Victorian-era English author Samuel Butler wrote: "A hen is only an egg's way of making another egg." Likewise, Muhith knows that the government is only a scam's way of making another scam. So the investigation into the Hall-Mark scandal is showing

Swagger of an autocrat and the irony of democracy

SYED MUNIR KHASRU

IT was December 6, 1990, the Dhaka University campus was in wild jubilation. People from all walks of life thronged into the streets in the joy of victory rarely seen since the country was liberated in 1971. After almost a decade of misrule and resulting suffocation in the national life, the fall of a corrupt dictator reignited the flame of hope and aspirations in the minds of the Bangladeshis again. The dictatorial rule represented very little respect for democratic values as evidenced by the sham elections and the repressive measures unleashed to legitimise the same.

During those moments of euphoria, if anyone could put up a giant futuristic TV screen in either the Shahbag or Farmgate intersection and had shown where the country would be heading in 2012 and what would be the fate of the fallen dictator, people would have been either shocked in disbelief or lynched the host of such a show. The speculation in the air was whether the dictator would flee into exile or be put behind bars or -- under the most lenient circumstances -- be allowed to lead a quiet private life far away from national politics and out of sight of the public. Two decades since then, today where are we as a nation and how is the fallen dictator doing?

A man who rigged successive elections today advises the nation on the modalities of holding free and fair elections. The presidential elections of October 1986 showed a voter turnout of more than 50% when in reality it was estimated to be less than one-tenth of that. Dozens of deaths resulted in electoral violence as democracy was held hostage to the ambition of an unscrupulous ruler. The May 1986 parliamentary elections had the same story marked by voting fraud, theft of ballot box, beating of opposition activists and polling suspended in 109 constituencies. Official voter turnout was shown as 50% while observers' estimates were not more than half of that. Final results were announced ten days later with JP getting an absolute majority, AL 76 seats, Jamaat 10 seats and BNP boycotting the polls. AL boycotted the first session of parliament and, in July, parliament adjourned indefinitely.



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The March 1988 parliamentary elections were even worse as all major parties boycotted the polls. Polling was suspended in at least 170 centres and the regime imposed a news blackout with warning that reporting of violence might lead to closure of the newspaper. 1,500 journalists staged a 9-hour strike. Again an almost voter-less elections were shown to have about 50% turnout. With such a dismal track record of holding elections that were neither fair and hardly participative, in his interview with the Bengali daily Jugantor (September 7, 2012), the dictator has the audacity to state that he brought the country back to democratic practices through elections.

Today, thanks to the performance of our politicians, the once disgraced dictator now basks in glory as the two major parties have given him reasons to believe that he represents "a better third choice" as opposed to the only two choices we have had in the history of our parliamentary democracy. The dysfunctional democracy resulting from the confrontational politics

of the two major parties has only emboldened the usurper as today he aspires to be the next prime minister. To quote from his interview with The Daily Star last Friday: "If the JP got more than 60 seats I would become the deciding factor and might become the premier, as neither the AL nor the BNP would be able to reach a consensus on forming a government. This may happen as Hasina and Khaleda cannot stand each other and there is no possibility of a consensus between them." Reading the interview, one can't help but feel depressed as the mutual intolerance of our two leaders and failure of our politicians have reinvigorated the fallen dictator.

From the perspective of governance, the nearly decade-long rule of the autocrat reflected one of the lowest points in the nation's life as corruption was rampant, giving rise to the first generation millionaires, a significant portion of whom gained positions of power and prominence more because of corruption and links to the corrupt regime than for their ingenuity, honesty, and hard work.

Today, after more than two decades of democracy, the common perception is that we have become even more corrupt -- morally, intellectually, and financially -- under democracy than what we were under autocracy.

The presidential form of government was replaced by parliamentary democracy to check against arbitrary exercise of state power by one individual for personal gains or advantage. In reality, the marriage of politics and business in the last two decades has seen the emergence of a new breed of politicians who are in politics more for business than in the business of politics. In other words, money has taken over character, muscle has replaced merit, and misuse has overpowered restraint.

For those who are not in politics but are politically conscious citizens, it hurts to see how governments elected through acceptable elections in the last two decades have failed to deliver the promised goods while a dictator brags about his performance on deliverability even during his misrule. It not only makes one disillusioned about politics and politicians but also starts hurting where it matters most -- the inherent faith of people in the positivity of a democratic system whereby each individual can pursue his/her legitimate ambitions and dreams unfettered by the state and supported by their elected representatives.

Recently, the acting secretary general of BNP remarked that those who think of politics in Bangladesh without the two ladies are living in a fool's paradise. May be he is right and may be that is inevitable.

However, what also is right is that our two leaders take some time to reflect as to what could have gone wrong in the last two decades that could have empowered a fallen dictator at their expense. Why do popularly elected leaders and governments today seem to have less credibility and acceptability than one of the most unpopular dictators the country was ruled by? Will the two leaders care to pause and think or will their colleagues dare to suggest? We all know the answer.

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THIS DAY IN HISTORY

September 7

1191
Third Crusade: Battle of Arsuf Richard I of England defeats Saladin at Arsuf.

1953
Nikita Khrushchev is elected first secretary of the Communist Party of the Soviet Union.

1965
China announces that it will reinforce its troops on the Indian border.

1986
Desmond Tutu becomes the first black man to lead the Anglican Church in South Africa.

2005
Egypt holds its first-ever multi-party presidential election.