

SUNDAY POUCH

Declining graft curve is welcome

Increasing bribe rates worrying, though

IT is good to note a downward trend in the incidence of corruption as revealed by the anti-graft body TIB in its latest survey report.

Whilst corruption in public and private sectors has come down by 28.4 percent the bribe rate has doubled in the last two years. Health sector is the lone exception where graft has significantly increased to 40.2 percent from 33.2 percent over the same period.

Has the drop in levels of corruption, even though modest, come about fortuitously. Not at all, for public awareness, digitisation of some public offices and anti-corruption training for government officials played a contributory role. Thus, we exactly know the areas where exertions would have to be made to make a greater impact on incidence of financial gratification.

Households paid as much as 21,955 crore in bribe in 2012 for service in various sectors which comprises a shocking 2.4 percent of the GDP. Labour migration tops the list at 77 percent followed by 75.8 percent in law enforcement, 59 percent in land administration, 57.1 percent in judiciary, 40.2 percent in health and 40.1 percent in education.

The increase in the rates of bribery is put down to high rate of inflation which only underlines the unsparing extractive nature of corruption. Speed money has to be paid for expeditious service, or let alone different points at which the palm would be shoved out to receive bribe even in extending normal services. So long as the attitude of public officials and service providers does not change from one of doing favour to serving the public for which they are paid anyway by the taxpayers' money, no radical improvement can be expected. Simultaneously, public awareness would have to be built up to a high pitch of sensitivity to resist any demand for corruption and report it to relevant authorities. The right to information (RTI) can play a catalytic role in all this.

Indian rape victim dies

Her sacrifice must not go in vain

THE death of the 23-year-old Indian woman who was gang raped on a Delhi bus a fortnight ago when public outcries reached a crescendo, now sends intense shock waves through society not just in India but in places where women have regularly been victims of such bestiality. The assault on the woman and her male friend has already caused much outrage in India, to a point where the responsibility of the government and parliament and indeed of the police in ensuring security for citizens has been much debated on. For their part, young men and women in Delhi and elsewhere in India have been making it clear that nothing short of exemplary punishment for those who raped the woman will satisfy them. It is a demand that has been echoed by politicians, artistes, journalists and civil society. Now, the death of the victim in Singapore from organ failure has prompted the Indian authorities into treating the matter as one of murder.

The tragic happening raises the very broad question of how safe women are in the South Asian region as a whole. In Pakistan, the fact that women are yet subjected to brutal, degrading treatment in a society which remains feudal to the core is cause for serious worry. In Bangladesh, the instance of what has happened in India, along with the outcry it has raised, should now serve as a wake-up call for the authorities in Dhaka and elsewhere in the country to take measures toward safeguarding the lives and dignity of women. One must face facts squarely. In Dhaka and in the interior of Bangladesh, rape has been a malady the government has not been able to handle to public satisfaction. Stories of rape and gang rape flow in regularly from the rural interior. In the urban areas, there are large numbers of women who have been groped, molested, raped and, in some cases, killed. These are happenings that are not only regrettable but also horrific in nature. And with the Delhi incident as a lesson to learn from, let the law enforcers as well as civil society in Bangladesh come forth strongly in ensuring the security of women at home and in public places.

Our heartfelt condolences go out to the family of the young Indian woman. Till the end, she fought bravely to hang on to life, with an entire country praying for her. Her

Why Bangladesh may overtake the West by 2050?



ASHFAQUR RAHMAN

PREDICTION is a dangerous business. It can literally put you out of business. But last week, when the

influential UK daily, *The Guardian*, predicted in a report that Bangladesh along with eleven others called the "new wave countries" could be overtaking the West by 2050, it sounded much like an old wives' tale. Bangladesh is still one of the Least Developed Countries (LDC). Certain green shoots are, of course, sprouting. But the country is very much mired in its own mess and shall remain so for very many years. Yet there are voices that have joined *The Guardian* and they feel that the prediction is based on certain solid prognostications.

In 1968, Swedish Nobel Laureate economist Gunnar Myrdal published his three volume magnum opus entitled *Asian drama: An enquiry into the poverty of nations*. In it he said that Asia was poor and most likely to remain poor. Poverty and Asia were therefore synonymous. So, till the 1970's, the West never contemplated investments outside the West. East and South Asia were of course given a wide berth.

Look at how things changed dramatically in 40 years. Not only North East Asia including China, Japan and South Korea rose swiftly but also several countries of South East Asia developed very fast. First, they introduced market reforms with all the institutional underpinnings. Then they wizened to the development of their human capital. Finally, they exploited the benefits that came from globalisation. Very soon, the West found itself ensnared in their credit lines, innovations and their advanced system of economic governance.

Western countries are now in a quandary. Their economies are struggling against huge debts. Unemployment is very high. They are reluctant to welcome cheap labour from Africa and Asia because of their latent fear of being overwhelmed. Europe has built fortress-like walls to regulate movement of foreign labour into the region. Costs

of production therefore have gone up and domestic consumption has tapered off. Poor economic governance has impoverished further the people and institutions there.

Kishore Mahbubani, the diplomat turned intellectual from Singapore, writes that the West now suffers from "myopia, complacency and self-centeredness." Europe has "failed to engage properly with neighbours. Neither the Balkans nor North Africa benefited from their proximity to the European Union." Nor did the European Union develop constructive relationship with Turkey. As Europe aspires to be a global power it fails quite miserably in global responsibility and indeed in global interest.

In its place, the East has emerged as a shining global star. Till the 15th Century, the GDP of China and India (including Bangladesh) had accounted for ¾ of the world GDP. During the period of colonisation these two major civilisations lost

Century to the present, the Western countries are spending societies;

- Work ethics: Protestantism brought in the attributes of hard work, savings and reading to Western societies.

However, the East has now used all these as well as the free market to accelerate economic growth. This has uplifted the human spirit. It has "liberated the minds of hundreds of millions in the East, who now feel that they can finally take charge of their destinies." India, China and the non-Arab Muslim countries have become the main foci of the West's challenge. Each of these nations has large populations or/and is big in size. Most of them have invested heavily in infrastructure and education. So they have long term growth potential. They, however, need periodic calibration of their macro-economic policies so that inflation and budget deficits can be kept under control.

The 2013 World Development Report has stated that some countries have done well and shown healthy human development indicators, other countries have done well in economic growth. But Bangladesh belongs to a select group of countries that have done well on both fronts.

their ability to produce income and wealth. But they are resuscitating their past economic glory. The OECD (the club of rich western countries) predicts that China would outstrip the USA in GDP per capita by 2030 and India would do the same by 2050.

The rise of the West, according to US intellectual Niall Ferguson, had been due to use of the following six "killer applications":

- Competition: Europe was fragmented till the 18th Century. Fragmentation encouraged competition among states;
- Scientific revolution European innovation, especially in weapons, gave Europe and the USA military dominance;
- Property rights: A grounding in democracy and property ownership led to economic growth;
- Modern medicine: Vaccination for smallpox and yellow fever doubled life expectancies;
- Consumer society: From the 19th

Bangladesh is one such non-Arab Muslim country that has become a focus of interest to the West. Over the past decade it has grown in spite of several major challenges.

Bangladesh has maintained macro economic stability for more than a decade. During this time, with an average annual growth rate of 6%, inflation remained mostly below double digits. The country has a sound fiscal policy. It has also been able to maintain export competitiveness. By adopting a floating exchange rate it has been able to eliminate exchange rate volatility. It has therefore being able to accumulate over \$12.5 billion foreign exchange reserves, which is still growing. Three major development indicators, such as M2 to GDP, private credit to GDP and bank deposits to GDP, have improved significantly. Its financial system is now market based and is deepening each day.

The 2013 World Development Report has therefore stated that

No tidings of joy from US politicians

CHEN WEIHUA

WHEN US President Barack Obama left Hawaii and landed in Washington yesterday, much of the east coast of the United States was being battered by thunderstorm, snow and even tornado. More than 1,000 flights were cancelled on Wednesday alone.

After spending five days relaxing with his family, such a greeting should have served as a reminder of the harsh reality the nation faces. The golf and relaxation must have seemed surreal once he was back in the White House, especially when looking east toward Capitol Hill, less than two miles away.

In many countries, the public would be outraged if their leaders went on vacation with a "fiscal cliff" only days away. But few in the US seem to mind their leaders taking some time off to be with their families at this time of year no matter how bad the situation is.

And the situation in the US is grim: If Obama and the Republicans don't reach an agreement by December 31, automatic budget cuts and tax increases, about \$600 billion in total,

are set to begin in January, which will have a negative impact on US families, businesses and the economy as a whole.

Economists have predicted another recession for the US economy, which has just started to show signs of recovery. They have also forecast that food prices could double.

While most of the US news networks have focused on the impact the budget cuts and tax increases will have on US economy, few have paid much attention to the damage the "fiscal cliff" would inflict on other countries.

Vice-Premier Wang Qishan, who visited Washington a week ago, voiced deep concern about the negative impact of the "fiscal cliff" on the global economy, so have many others such as Christine Lagarde, the managing director of the International Monetary Fund, and Australian Treasurer

Wayne Swan.

An analysis by the UN Economic and Social Commission for Asia and the Pacific shows that the downward pressure on the global economy and slack demand from the US caused by the "fiscal cliff" will have repercussions in Asia. The growth of some

economies, such as Singapore, could decline by up to 2.2%.

China's credit rating agency, Dagong, this week put the US sovereign rating on its negative watch list, citing the impasse in budget negotiations, government debt that is growing faster than fiscal revenue and a likely recession in the US in 2013 as reasons.

While the world is looking for leadership to fight years of economic recession, the US president and lawmakers have chosen to play chicken to gain advantage for their own parties, instead of for the American

some countries have done well and shown healthy human development indicators, other countries have done well in economic growth. But Bangladesh belongs to a select group of countries that have done well on both fronts. Yet, Bangladesh faces several major challenges. One of them is confrontational politics, which often paralyses the urban economy. Vested trade union groups disrupt industries and ports. Corruption delays high impact infrastructure development.

Forty years is a long time for any country, more so if it is forty years in the 21st Century. Bangladesh has several things going in its favour. First, the demographic dividend. As years pass, the average age of its citizens will be lower, but the total size of the population will be larger. The number of people by 2050 would be around 220 million. But these large numbers would not make it a dependent population. Instead, young, educated and dynamic people would be steering the country forward.

Next, Bangladesh is relatively small in size. It would be able to develop a world class physical infrastructure with a reasonable outlay. Not more than \$200 billion at today's prices would do the job. This would include cost of protection against climate change. Once infrastructure is built and businesses flourish, domestic demand for consumer goods would fuel growth. There would also be added earnings from exports, which would be increasingly diversified and sophisticated. Our regional market is also huge as it includes India, China and the Asean countries. Increased remittances from our nationals abroad as well as agricultural surplus would pave the way to greater prosperity.

The West would of course not be sitting idle. But unless it is able to integrate closely with the rest of the world their economic growth could remain anemic.

As Winston Churchill had so aptly said: "The empires of the future are the empires of the mind." Let us prepare our minds for this singular endeavour. We are bound to revisit this proposition in 40 years time.

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THIS DAY IN HISTORY

December 30

1906 The All India Muslim League is founded in Dacca, East Bengal, British India. It went on to lay the foundations of Pakistan.

1922 The Union of Soviet Socialist Republics is formed.

1943 Subhas Chandra Bose raises the flag of Indian independence at Port Blair.

1965 Ferdinand Marcos becomes President of the Philippines.

2006 Former President of Iraq Saddam Hussein is executed.