Turmoil in the neighbourhood

Pakistan, Sri Lanka and lessons for Bangladesh

Mahfuz Anam is the editor and publisher of

THE THIRD **VIEW**

MAHFUZ ANAM

▼ WO important members of our South Asian community stand as examples of how not to run a country. Pakistan's politics and Sri Lanka's economy—not that they are fully separable—have reduced their people to facing an uncertain future, and that, too, after being devastated by two years of Covid pandemic. The Pakistan military's continued interference in running the country and Sri Lanka's ruling elites' continued indifference to the plight of the masses are the two overarching reasons behind these two countries' present

While Pakistan and Sri Lanka were stuck in their political and economic quagmire, the Asian Development Bank (ADB) predicted Bangladesh's GDP growth to be 6.9 percent in FY2021-22, a significant achievement considering all the challenges we in Bangladesh face. Even US President Joe Biden termed us a model for growth and stability, in his recent letter to Prime Minister Sheikh Hasina celebrating 50 years of diplomatic relations between Bangladesh and the US. Leadership, especially of Sheikh Hasina, and the resilience and creativity of our people have a lot to do with the continuous growth that the country has seen over the last few decades—in spite of the pandemic and the turbulence in the international economy. However, we will be living in a fool's paradise if we think that everything is rosy for us. There are plenty of things for Bangladesh to learn from these two crises.

Sri Lanka, once projected as a possible Singapore in our region, shocked its own people as well as those in the region with unforgivable failures to manage its economy. What was unthinkable just the other day is a reality today: Sri Lankans are facing shortages of food and other basic necessities. It has never been heard before that a country couldn't hold school-level examinations due to a shortage of paper. It happened in Sri

It is misgovernance, cronyism and long-term culture of elite family rule that lie at the root of the present problem. Sri Lanka was one of the earliest countries to achieve 100 percent literacy and quality education. It has the highest per capita income among all Saarc members, and its public transport and general healthcare services are the envy of the region But for its long-drawn civil war, Sri Lanka can be said to have had the best chance of economic prosperity compared to its South Asian neighbours.

Their fatal flaw was the musical-chair type rule by a few political families with superficial commitment to the people. These families reduced democracy to mere elections, which were held mostly on time but resulted in no substantial change or reform. None of the governments undertook any efforts to institutionalise democracy or any fundamental economic or social reform, or strengthen the institutions of accountability.

The return of the Rajapaksa family to power constitutes perhaps the most blatant and unique example of a family capturing a state: the president (who is also the defence minister), the prime minister and the newly former finance minister are three brothers, and near relatives head several ministries and occupy important government positions. During Mahinda Rajapaksa's second term as the president in 2010-15, a total of 40 family members occupied government

posts in Sri Lanka-excluding those in the

At the moment, Sri Lanka virtually has no government, save only in name.

Ironically, Pakistan also appears to be without a functioning government since the dissolution of parliament along with the whole cabinet. The prime minister continues on an interim basis till a

percent rise in export earnings between July and March in FY2021-22. The government's timely support to the RMG sector paid us with crucial dividends.

Remittance is another source of our foreign exchange that survived the pandemic and held our economy steady. But it is too dependent on a few markets, especially the Middle East. We must

Matarbari development project), it comes to a total of Tk 2,81,706.37 crore. This is a huge figure, and these are massive undertakings. They are expected to bring a sea change in our economy and overall infrastructure. There is no question that we need them. But how we raise the funds and how judiciously we use them is the moot question.

The challenge is not how much is borrowed, but how cost-effectively and timely a project is implemented, and how efficiently it is run so that we can maximise earnings to reduce the debt burden and make the project viable. And here lies our serious vulnerability. Most of our megaprojects, including the medium and small ones, are not completed in time. There are cost and time overruns one to four times, resulting in huge cost escalations. The loss of potential earnings because of delayed implementation adds to the economic burden. If we add wastage and corruption, the cost grows far higher. The sad reality is that the officials concerned are rarely questioned as to why, and even more rarely are they held responsible.

Then there is the serious issue of coordination. A project, especially the large ones, have multiple components. If all of them are not completed in a coordinated manner, then its final operation is delayed, resulting in a rising cost that ultimately burdens the economy. A glaring example is the building of electricity generating capacity. We now have excess generation capacity. Without transmission lines to link the power plants to the national grid, they are useless. Taxpayers now have to pay the capacity charges, while these power plants sit idle. In the last fiscal year, the government (actually, taxpayers) paid Tk 13,400 crore (more than the cost of the Karnaphuli tunnel project) as capacity charge to these power plant owners. The year before, it was Tk 8,000 crore (half the cost of Payra seaport). Similar is the case with Biman Bangladesh Airlines, which once had many destinations but few planes, and now has many planes but few destinations. When we were setting up the electricity plants or buying the Dreamliners, we did not think things through. Lack of coordination is endemic in our project implementation process and

increases our cost burden enormously. While we may not face a Sri-Lanka-like situation in the near future, there are sufficient vulnerabilities in our economy and governance process that require our serious attention.

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Director (GS)



caretaker government takes over.

Whatever the immediate cause of the present drama may be, the root of it lies in Pakistan's political system of being always manipulated by its army from behind the scene. The Pakistani people's greatest shame is the fact that its governments, with however strong a public mandate, literally have to be endorsed by the military establishment. Democratic mandate may propel a leader or a party into power, and it may even form a government, but whether it will be stable and durable depends on the army's endorsement. For more than one-third of Pakistan's 75-year existence, the army has ruled directly, and for the rest of the time, it manipulated the civilian governments from behind the scene, never allowing them to really set a democratic agenda and put people's interest above that of the armed forces. This has forced elected governments to divert disproportionate amounts of scarce resources towards defence rather than social and economic development.

Unless it can delink its political processes from the machinations of the military establishment and allow the people and their freely chosen leaders to play their legitimate role, Pakistan's political crisis will never be solved.

As for the lessons for Bangladesh, our prime minister stated in parliament on Wednesday that we run no risk of repeating the Sri Lankan situation, because our economy is far more robust and our repayment record immaculate. While we echo the spirit and confidence expressed by her, we feel compelled to point out a few factors that need meticulous attention.

The overarching fact that our economy is dependent on two basic sources of earning—RMG export and remittance-makes it naturally vulnerable to their market behaviour. The crucial nature of this vulnerability should not be underestimated. Any significant fluctuation—both in demand and priceon the global stage can create havoc with attendant crises. It is to the tremendous credit of our RMG exporters that they have not only been able to survive the threat of Covid, but also register a 33

People shout slogans against Sri Lanka's **President Gotabaya** Rajapaksa and demand that Rajapaksa family politicians step down, during a protest amid the country's economic crisis, at Independence Square in Colombo, Sri Lanka on April 4, 2022.

PHOTO: **REUTERS**

earn more, and do so urgently. Megaprojects have been the

diversify and also upskill our workers to

cause of many countries' downfall. There is a natural propensity for developing countries to rush into huge infrastructural projects to bring about dramatic changes in their peoples' well-being. Glamour and prestige have also often driven them, rather than cold economic calculations.

In our case, a huge amount of investment has been made in megaprojects. If we add the cost of the 10 big ones (Padma Bridge, Padma Bridge rail link, Rooppur Nuclear Power Plant, Rampal Power Plant, Dhaka Mass Rapid Transit Line 6, Payra seaport, Karnaphuli underground tunnel in Chittagong, Dohazari-Ramu-Cox's Bazar rail link, Dhaka-Sylhet corridor, and Moheshkhali-

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH Ministry of Foreign Affairs

Dhaka

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Invitation for Tender (OTM)

Memo no: 19.00.0000.151.99.001.19/13

Date: 08.04.2022

The undersigned is inviting Tender from eligible Tenders. The details of Tender are given below:

1	Ministry/Division	Ministry of Foreign Affairs
2	Procuring Entity Name	General Service Wing, Ministry of Foreign Affairs
3	Invitation for	Procurement of Tea to be distributed by Bangladesh Envoys Abroad
4	Invitation Reference No	19.00.0000.151.99.001.19(A)
KEY I	INFORMATION	
5	Procurement Method	Open Tender Method (OTM) (National)
FUND	OING INFORMATION	
6	Budget and Source of Funds	GOB
PART	ICULAR INFORMATION	
7	Tender Package Name	Procurement of Tea
8	Tender Publication Date	08 April 2022
9	Tender Last Selling Date	19 April 2022
10	Tender Closing Date and Time	20 April 2022 at 12:00 noon
11	Tender Opening Date and Time	20 April 2022 at 02:00 noon
12	Name and Address of the Offices	Ministry of Foreign Affairs, 1 Segunbagicha, Dhaka-1000.
	Selling Tender Document	General Service Wing, Ministry of Foreign Affairs, 1 Segunbagicha, Dhaka-1000.
	Receiving Tender Document	General Service Wing, Ministry of Foreign Affairs, 1 Segunbagicha, Dhaka-1000.
	Opening Tender Document	UNCLOS Conference Room, Ministry of Foreign Affairs
	Price Tender Document	Each set Tk.1500/-(non-refundable).
INFO	RMATION FOR TENDER	
13	Eligibility of Tender	a) Valid Trade License b) Latest income tax certificate c) Valid VAT registration certificate d) Bank solvency certificate e) Bank statement up to March 2022 f) National Id card with copy PP size color photograph g) Experience of related work for two years.
PROC	CURING ENTITY DETAILS	
14	Designation of Official Inviting Tender	Director (General Service)
15	Address of Official Inviting Tender	Room no. 108, General Service Wing, Ministry of Foreign Affairs, I, Segunbagicha, Dhaka-1000
16	Special Instruction	All other instructions are described in the tender documents

The procuring entity reserves the right to accept or reject all Tenders or annual the tenders proceedings

CROSSWORD BY THOMAS JOSEPH

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38 Neeson of

"Taken"

39 Reef material 41 Dropped tomato sound 45 Half of Hispaniola 46 Take care of 47 Borders

48 Heart, for one 1 Mighty tree 2 Coffee dispenser 3 Equal: Prefix 4 One who changes occupations often 5 Photographer Adams 6 Botanical snapper 7 Pub drink 8 Not wild

9 Church reply

10 Touch down

16 Beatles descriptor 18 Close with a bang 19 App makeup 20 Owl call 21 Winter Olympics competitor 24 Former spouses 25 Ascend 26 Collections 28 Creeper supporter

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