



Donors concerned at political linked violence, graft

Ordinary citizens need to be reassured as they walk in the street or sit at home with their children, World Bank vice-president says at BDF meet launch

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Development partners at the launch of three-day Bangladesh Development Forum (BDF) meeting in Dhaka yesterday said dysfunctional politics, politically-linked violence, growing crime and corruption were holding back the nation's growth.

They referred to Friday's killing of opposition lawmaker Ahsanullah Master in a rally in Tongi, recent mass arrests and the harsh treatment of some lawmakers making a peaceful attempt to set up a new party.

"Several recent murders of businessmen and the seeming protection of the perpetrators have only served to heighten concerns over law and order," said Praful Patel, vice-president of World Bank's South Asia region and head coordinator of the donor community at the BDF.

Commenting on the killing of Ahsanullah in his speech to the inaugural session, he said: "It is a loss to the nation."

"Politicians can take care of some of the norms on which a healthy society relies -- personal security, transparency, fair legal protection, a level regulatory playing field. Bangladeshis will do the rest."

Prime Minister Khaleda Zia, who opened the BDF meeting at Hotel Sonargaon, and Finance Minister M Saifur Rahman, who heads the Bangladesh side, explained the government's position on the issues.

"We have taken a number of measures to improve the law and order situation," said Khaleda, adding, "The parliament has recently enacted a law for creating a Rapid Action Battalion in order to curb crimes expeditiously. "The Battalion has gone into operation in

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Prime Minister Khaleda Zia talks to Praful Patel, vice-president of World Bank's South Asia region, at the launch of the three-day Bangladesh Development Forum (BDF) meeting at Sonargaon Hotel in Dhaka yesterday.

Dhaka Metropolitan city and its positive impact on the overall law and order situation is already visible."

Saifur said, "...broad-based political support is a prerequisite for implementing successful and sustainable economic and good governance reforms. All transitional democracies face challenges in mobilising this support from political opposition and vested interest groups. We are no exception. But the unhealthy, intolerant and destructive political opposition we have been facing in our endeavor...is unprecedented."

But echoing the views of 32 donors at the BDF, Praful said, "Ordinary citizens do not trust the legal system -- the police and the courts -- to deliver fair and speedy justice."

"The very businessmen and businesswomen Bangladesh needs to attract to accelerate and diversify the economy are driven away by such events," he said.

"Ordinary citizens...need to be reassured as they walk in the street or sit at home with their children. Are they safe? All these perceptions and realities can only come to undermine the present economic successes. Reversing these alarming events is a challenge as such behavior has become well-rooted in society," Praful added.

Terming the anti-corruption commission as important, he said guaranteeing its independence was equally important.

"Steps underway on judicial and police reform are another beginning. The new approach to public procurement offers the promise of transforming opportunities for corruption in contracting."

Bangladesh needs to ensure greater transparency in the legal and judicial systems, business-friendly institutions and courts, people-friendly law and order and to empower the citizens to build public confidence, he said.

"Both investors and the average citizens need an environment in which they feel a day-to-day sense of personal security; a predictable security that is reassuring and even-handed."

The donors also expressed deep concern over the new tension between the government and the NGO community and said the recent draft update on the law governing NGOs had serious flaws in both process and substance.

Both the government and NGOs have to be accountable to citizens and transparent in their actions, they commented.

Praful lauded Bangladesh's economic achievements, saying it showed indicators among the best in South Asia after Sri Lanka in terms of the Millennium Development Goals. He, however, said Dhaka needed an aggressive plan of action to address some major impediments.

"What kind of nation does Bangladesh want to be? An outward-looking and open economy? Another Malaysia or Thailand? A niche actor in world trade?" he questioned.

"If the citizens of this country are its strength...then bringing government closer to the people can greatly enhance public accountability," Patel said.

"I would suggest that strengthening local government, making government more open and accountable to citizens at the local level, is an agenda for public reform that is overdue..."

Saifur illustrated the government's economic successes amid an uneasy political environment and said the growth was likely to exceed 5.5 percent projected for this year. In the first six months of the current fiscal year, the agriculture sector grew at 4.2 percent and industry at a record 7.3 percent.

He said by significantly downsizing state-owned enterprises, the government was able to reduce fiscal drain and stimulate

private sector growth.

"The government has however been very careful about the need for creation of alternative employment opportunities for workers who lost their jobs and also ensured payment of legitimate severance benefits to them in a very transparent way," he added.

He admitted that improving governance and law and order and combating corruption still remained key challenges of the government.

The finance minister described a number of reform measures taken to improve the situation and reiterated the promise that "an independent Anti-Corruption Commission is being set up within a few days."

"The government has most recently merged four ministries into two and adopted a few more decisions to reform civil service which include merit-based promotion and developing specialisation in the civil service," Saifur added.

International Monetary Fund (IMF) Advisor for Asia and the Pacific Department Nissanke Weerasinghe praised Bangladesh's economic performance, saying growth was expected to hit 5.5 percent this year.

"This economic growth is supported by a rebound in exports and good harvests. But unforeseen increases in import prices have pushed up inflation, which is set to reach 6 percent. Buoyed by the strong performance of exports and enhanced remittances, official reserves have increased over the last year, to the equivalent of three months of imports," he said.

A difficult political atmosphere and capacity constraints have slowed down the pace of reforms in some areas like in the SOEs, he said, adding headway was made with nationalised commercial bank reform, but at an uneven pace.