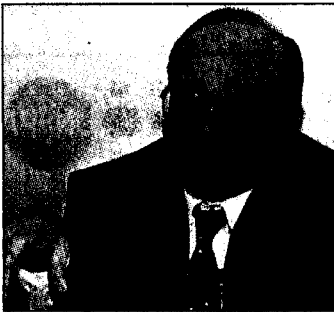




Polls reform key to fighting graft

WB VP Patel tells *The Daily Star*



INAM AHMED and ASHFAQ WARES KHAN

World Bank's Vice-president for South Asia Pratul C Patel sees electoral financial reform as a very vital element to prove the government's seriousness to deal with corruption and malpractices in polls.

"Asset declaration is promoted everywhere, we also encourage the government here to hold public officials accountable by making them declare their assets transparently," Patel told *The Daily Star* in an interview yesterday.

Citing Pakistan as a success case, he said there every elected member is made to declare their assets to increase transparency.

Patel said Bangladesh needs an extra 2-3 percentage points in GDP growth to make a perceptible impact on the life of people. A streamlined law and order is a precondition for that, he added.

"Law and order in Bangladesh is not conducive to development, foreign investment, and not really what the citizens deserve," he added. "When you cannot assure the public of basic safety, when you do not feel secure, that is not good."

"It all leads to one thing: the environment is not conducive to development and is costing the country hugely in terms of underdevelopment."

Patel warned that Bangladesh might not reach the Millennium Development Goals (MDGs) if it continue to lose 2-3 percent of its GDP due to poor law and order.

"If we fail to track where the resources are going and find no secure environment for projects to be carried out, aid will be reviewed and maybe pulled out."

"Bangladesh had the same GDP as South Korea and Malaysia. Both have GDP around twice Bangladesh's size now. Since these countries could achieve with less resources overcoming the same problems as in Bangladesh, that is definitely doable here.

"The potential Bangladesh has is far greater than what it is achieving now. Your best resource is your people,

whose resilience is the reason why Bangladesh has survived the difficult times.

"If you look at the country's self-sufficiency it is a big achievement for Bangladesh that no country in Africa has matched. In fact, Bangladesh is the envy of nearly every African country in terms of those things."

He said Bangladesh needs to make itself globally competitive. This involves a trade regime that fosters competition and for it to become more liberal. There are a lot of problems here. There is a strong anti-export bias that needs to be removed. If you don't move on these things, the market share you will lose in global trade would be lost forever. You cannot reclaim it again."

He said lowering tariffs, removing all sorts of quantitative restrictions, freeing up the restrictions on foreign investment in the most promising sectors like the readymade garments are now critical, he observed.

"We have done an analysis and found that even if the political situation is stabilised you would still not be ready to grow at 7-8 percent because of another binding constraint -- poor

infrastructure," Patel noted.

Because of poor telecom, power, port and other bad infrastructure, the cost of doing business in Bangladesh is too high.

He said the investment required for improvement in the areas is huge and needs to come from the private sector, not from the donors or the government.

Talking on corruption in Bangladesh, he said it is not a one way traffic and the donor countries also have to bear some responsibility for the problem.

Corruption as defined by interference in government contracts and having to pay bribes to get things done is counterproductive, he said.

"I raised this with the prime minister and it is expected that the government will say what they might do about it," Patel said.

He said public procurement is where a lot can be done to do away with corruption.

"If you do not make the bidding public, then the corrupt will get away with it. If you make the bidding public, it reduces the possibility that there would be fiddling with the account."

To ensure transparency Patel stressed the importance of an independent appeal procedure for bidders and publication of both rules of procurement and award of contracts.