

Are we overspending on defence ?

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HERE has been criticism of defence expenditure in Bangladesh. This is quite justified given the way defence budget is presented in our parliament. In Bangladesh, normally few sentences are written about defence budget giving just the total amount of money allotted to the Ministry of Defence. No aggregation is shown even breaking down to the individual services. Although the level of defence expenditure of Bangladesh is not markedly out of line with relevant comparative levels elsewhere, still it raises serious questions about the overall use of the scarce resources. In effect, the general perception has been that Bangladesh's security demands maintenance of the current defence expenditure. However, it is the lack of transparency of the defence expenditure that has made the critics more vocal.

Defence planning in Bangladesh is managed at the highest level of the government without the support of any formal system. High priority defence matters are considered and decided at the highest level of the government. There is no strategic plan for the defence of the country. Each service has its own courses of actions covering respective areas. Each service works out their respective requirements, to structure and equip in accordance with single-service agenda.

The Defence Budget

The defence budget is generally one line item in the national budget representing the total allotment. For example, the 2005-06 budget shows that Taka 4320 crores has been allotted for the Ministry of Defence. The lack of aggregated data on military spending makes it difficult to determine the proportion of funds applied to procurements and personnel costs. In particular, it

is not clear whether funding for major capital equipment purchases is accounted for in the defence allocation, or whether it is located elsewhere in the budget. For example, when Bangladesh bought a frigate from South Korea or Mig-29 aircrafts from Russia, questions were raised about their funding as well as their necessity.

If we analyse the defence budgets of the previous years, it is seen that the amount of allocation have been increasing, but in real terms there have been decrease in defence allocation. The increase in allocation had been less than the inflation rates. However, in terms of the percentage of the GDP or the percentage of the Government expenditure, there has not been much deviation. The defence expenditure has been pegged at more or less 1.3% of the GDP, and about 10% of the Government expenditure.

Defence expenditure can be divided into four major items; operating costs, procurement, construction and research and development (R&D). The operating costs will include pay, allowances of military as well as civilians serving in the military departments, operations and maintenance of armaments and equipment, cost of fuel, rents and services. Procurement will include procurement of major weapons systems, equipment and material. Construction will include construction of infrastructure. The fourth item is R&D. No aggregated amount is shown in our budget, as such it is not known how the allotted amounts are further distributed. It is presumed that about 75% of the expenditure is being spent as operating cost; about 15% of the budget goes on construction and maintenance of infrastructure. The amount available for procurement is around 10%.

Defence vs Social Sectors

The debate on 'gun' or 'butter' has

been going on since the days of Caesar and will continue forever. Everything has a price, whether it is security or social development. A nation's success depends on how its leaders can distribute its resources between the two very demanding items in a manner that the country achieves its goals. Because resources are always limited, even the richest country in the world finds it difficult to allocate required amounts in every sector.

Bangladesh has been giving priority to the development of the social sectors. Education sector have been receiving the highest allocation from the government. From the Economic Review released by the Ministry of Finance, the combined allocation on education (both primary and higher levels) &IT, health and family welfare, social security and welfare is over 25% of the total budget. Whereas, defence has been receiving about 10% of the total government expenditure and the Home Ministry i.e. police and paramilitary forces got about 5%. Total expenditure for security have about 15% of the total government expenditure.

The Chart below shows a comparison between the expenditure of the social sectors and security sector. This clearly shows that the social sectors have been given priority over the security.

Year	Education & IT	Health & Family Welfare	Social Security & Welfare	Total-Social Sector	Defence	Home	Total-Security
1999-00	5430	2363	518	8311	3304	1593	4897
2000-01	6079	2627	570	9276	3402	1648	5050
2001-02	6063	2649	567	9279	3402	1675	5077
2002-03	6736	2797	737	10270	3419	2072	5491
2003-04	6975	3345	1048	11368	3712	2037	5749
2004-05	7859	3732	1803	13394	4115	2984	7099
2005-06	9686	4240	2287	16213	4320	3000	7320

Defence is a public good par excel-

ence. Defence expenditure comes totally from government budget, whereas social sector is highly contributed by the private sectors as well as outside donors. The total amount of financial and physical resources spent on military expenditure is related to the perception and need of security by the society. Normally a continuous growth of the country and economy would also cause an expansion in spending related to the security matters.

Imperatives for Defence Expenditure

Safeguarding territorial integrity, protecting the exclusive economic zone, natural resources and infrastructures are the primary task of the defence forces of Bangladesh. In addition there are internal issues that are to be tackled. Bangladesh has been largest contributor to the United Nations Peacekeeping operations. Bangladesh military have been very active on humanitarian role also.

Although there is no visible threat to the Bangladesh's sovereignty, yet there is a need for a standing defence force. Bangladesh has a long land boundary and 518 km of coastline to be physically protected. In addition the exclusive economic zone (EEZ) is also to be protected. The land boundary in the northeast,

east and southeast are very vulnerable due to on going insurgency in

the adjoining Indian North-Eastern States and Myanmar. As long as insurgency remains on our border we will be susceptible to incursions from across the border.

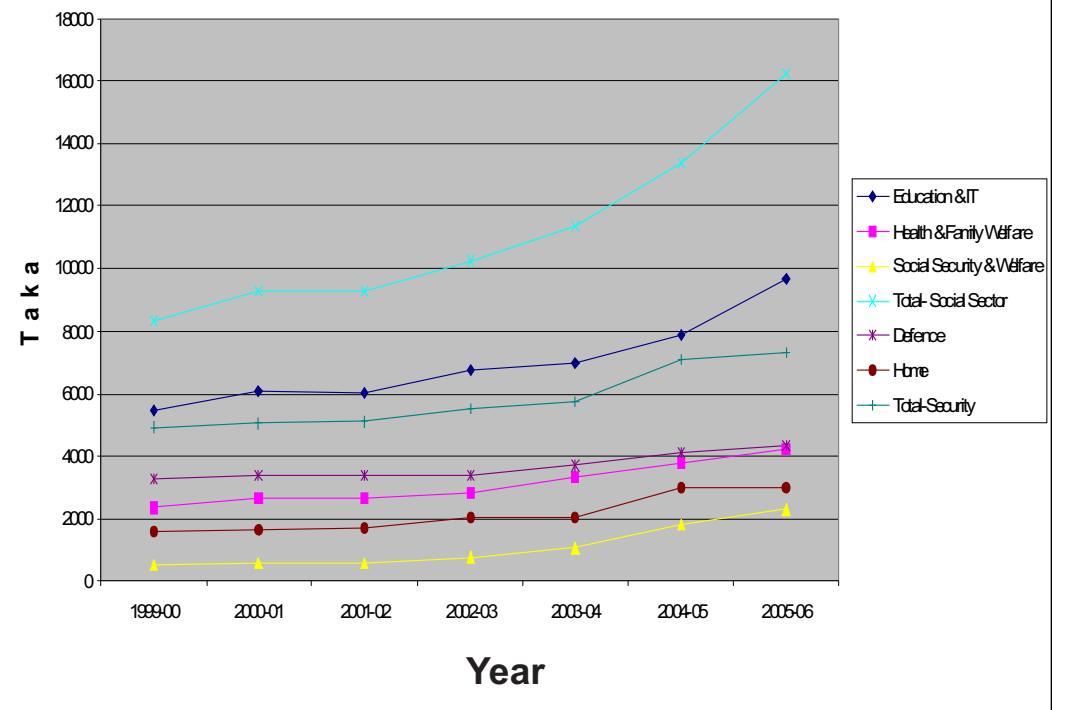
The rise of the religious fundamentalists within the country compels us to continue with security alertness. Similarly, the incidences of piracy have increased in the Bay of Bengal, which requires a substantial presence of Navy and Coast Guard in the high seas. Moreover, for proper economic use of the EEZ we will need an effective Navy and Coast Guard.

Transparency in Defence Budget

The coverage and structure of defence budget vary from country to country. The amount and nature of information made public are affected by government policy. Here in Bangladesh, only the total outlay on defence used to be disclosed. For the last few years the non-development revenue and capital expenditure and development expenditure is also shown in the budget. It is not known how the budget is further distributed among the Services, similarly what percentages are spent on various heads are also not known. Some people even have idea that food, housing, infrastructures of the defence forces are

not accounted for in the defence budget.

Comparison between Security and Social Sectors



Although no country discloses their complete defence expenditure, yet there is room for further aggregation of the defence budget. Stockholm International Peace Research Institute (SIPRI) has classified the military expenditure under 11 heads. Most of the European countries as well as the US Department of Defence follow more or less the same list as that of SIPRI, except for few items. Defence budgets in these countries are aggregated. Indian defence budget is placed in the form of 7 demands, 3 for 3 Services, one for ordnance factories, one for capital outlay, which also includes R&D, 2 covering the civilian elements in the defence forces. India spends over

5% of her defence budget on R&D.

Conclusion

In a democratic society, a budget which is fully funded by the government exchequer should be as transparent as possible. Unless the military expenditure is placed and debated in the parliament there will always be bickering and doubts in the minds of people. It has been seen that once the military expenditure has been made transparent, the most vocal opponents of the expenditure has rather advocated for the increase in the expenditure.

The relationship between defence expenditure and economic growth is a subject of considerable importance. Increasing amount of government budget is being spent

on defence services. The defence forces for their part should pay more attention to their interior economy. Savings can be effected in manpower and consumption of fuel. Establishments should be reviewed to cut out non-essentials. We should also review the Higher Defence Organization (HDO) including the Services Headquarters. Can we have a single HQ with the Chief of Defence Staff (CDS) as the head of the three Services? The armed forces must work out priorities of 'musts', 'shoulds' and 'coulds' as there will never be enough funds to meet all requirements.

The author is a freelancer

Hard talk on politics

BRIG GEN JAHANGIR KABIR ndc, psc (Retd)

H amstrung by mutual distrust, the dialogue between the government and the opposition, I still welcome. However, a constructive result demands an amiable environment that has not been displayed. When the political parties couldn't sit in the parliament together for most of the time, took years to form parliamen-

tiarity. When Judith A Chammas, the then US Charge d'Affairs said while addressing FBCCI conference on March 19, "I hope all political parties will exercise their democratic responsibilities and rights in the general election" and assured that the election will be widely and carefully observed, the nation felt somewhat relieved from the endless uncertainties. Barely six months are left for the caretaker govern-

neering has always flopped in Bangladesh: for, no incumbent party or alliance could come back to power. The humour in politics is that the government has always engineered election for the opposition to win. The crux of the problem is not in election but in absolute concentration of power in Dhaka and lack of accountability in the government. The election itself is thoroughly abused for unbridled exploitation of the people due to the unitary and

of political power in Bangladesh. Democracy couldn't separate corruption or abuse from pristine power, but to keep the monster in check created the institution of opposition. Where that wisdom was during last four years is likely to be an election issue, along with the performance of the government. There are more than hundred political parties on the street, but they have no representation in the parliament. Best democratic options

promises and performance of the present government.

The job of the opposition is well defined. He salvages me, when the Daily Star Editor says, "The opposition, no matter how many MPs they have got, must never boycott the parliament". In spite of the weaknesses we had a government, but most of the time we had no opposition in the parliament. The role of opposition is inextricably linked to good governance of the country. Let there be light on the opposition also. Judging the people of Bangladesh as anti-establishment is an underestimation of their wisdom. Endangering life and property cannot be a regular feature of democracy. Democracy demands responsive government along with responsible opposition.

The alliance government has craftedly opened the door for a dialogue while continuously denying any responsibility to accommodate the opposition's demands. Dialogue between two major parties only cannot be national; it is upper-caste Brahmanism. Beset with problems, Bangladesh will have to struggle for a long time. Penning best possible laws takes little time but to capulcate the culture of democracy as a wonder drug for immediate remedy is nearly impossible. Democracy regularly strives for perfection while at times yielding to blimished performances. Compromise is not the aim but yoking to the desired destination is. Democracy is slow, at times chaotic and mostly inefficient; but the only system that works, it must not be derailed. Late Z A Bhutto had once said, "India is kept in one piece due to noise and chaos of democracy". Parliament can bear the boycott for a time; but participation in the election is the lifeline for responsible politics. In spite of weaknesses there is only one highway to government; democracy offers no byway. Fathomless corruption, endless extra judicial killings, price hike, law and order-yes, but election is the only internationally accepted democratic process to power. Boycotting election will certainly put our infant democracy in hamsway.

The army has crossed over the divided generation; it is in sound hands of the post-liberation leadership. I feel more confident about the army today. Nobody is above the law or mistake. The armed forces need encouragement, not provocation, to get back to the desired professional mainstream. Let us all put on horse-blind and look forward to the mandate of the electorate for the success of democracy.

The author is a freelancer.



tary committees that remained mostly inoperative, didn't achieve a single bipartisan decision in and outside the parliament, compromise on the existing legal framework for the appointment of the Chief Adviser, Advisers and on other issues in the few months left is highly optimistic. Democratic behaviour hasn't reached a level where consensus on national issues through the generosity of give and take is practiced. Politics still thrives on tenacity rather than compromise. Without the flawless Crown of the Westminster democracy, the elected president is a partisan under the cloak of impar-

ment to take over, at this point in time political parties should be articulating their side of the story for the people to judge and finally vote. Democracy reaches the people only during election time, once in 5 years, for Dhaka-centric politics to shed tears for the people. Politics without ethics is acting. No wonder, many actors today excel in politics mimicking the honest professionals.

People have experience of the parties and personalities by rotating them to government. The partisan voters are doomed due to their parochial behaviour; the nonpartisan voters will eventually decide the next government. Election engi-

absolute form of government. Without social awareness, the representative governments assume the role of masters. So many people of Kansat had to give their lives asking for basic essentials like electricity. Even dictatorial regimes cannot afford that kind of repeated shootings and arrogance. Most of the illegal things are happening in Bangladesh within the domain of the elected governments and it will continue until much of the power is shifted from Dhaka to the districts. The Election Commission or caretaker government can do little; nibbling will not help; the time has come for major decentralisation

would be to give out the reform plan to the people. If approved, the winners should go all out for the implementation of the agenda. Both the major parties promised to separate judiciary from the executive and give autonomy to the radio and TV. On winning the election in 96, no meaningful attempt was made by the Awami League to separate the judiciary, and enjoyed the monopoly of radio and TV. No wonder, people gave an angry verdict for breach of the election promises. If he who has no confidence in the opposition has little faith in democracy. This coming election will surely opine on election

Energy diplomacy : A part of foreign policy strategy

BARRISTER HARUN UR RASHID

BOTH the US and China are hungry for energy resources. To keep the engine for growth, they need oil and gas. One major part of diplomacy is to pursue vigorously what is currently known as energy diplomacy. There is a stiff competition between them to get on board oil-rich countries on their side. In a world of limited oil resources and worsening oil trouble spots, US-China relations could head for another bumpy ride in future.

China's oil industry has wooed that the US has tried to isolate for political reasons- such as Myanmar, Sudan, Iran and Venezuela- undermining isolation efforts. Three major oil companies have been pursuing long-term supply arrangements in such countries as Gabon, Angola and Nigeria.

In 2004, China Petroleum & Chemical Corporation, also known as SINOPEC, became one of the just five companies to win the right to explore in Saudi Arabia, edging out the US companies and the kingdom has invested in Chinese refinery projects and in January the Saudi King visited China. Despite its long-standing tight relationship with oil companies, Saudi Arabia is now the largest oil supplier to China.

Saudi Arabia-China relationship started after 9/11, when in America, Saudi Arabia was perceived as the source of terrorism. It is noted that out of 18 hijackers, 15 were from Saudi Arabia and this caused a deep concern in America. Although President has maintained good relations with the monarchy, many of the American leaders voiced concern and urged the White House to review relationship with Saudi Arabia. The White House diplomatically wanted Saudi Arabia to introduce political reforms, so that ordinary people are not alienated from participation in running the country.

A former US Ambassador to Saudi Arabia, Chas Freeman, who has extensive diplomatic experience in China, reportedly jokingly told, "Saudi Arabia is taking a Chinese wife. The Saudis are not divorcing us. In Islam, you can have more than one wife and they can manage that."

Many in the US raised question: Can the US? Many US policy makers are nervous about Chinese robust energy diplomacy. On 5th April, the US Secretary of State Dr. Rice, in a testimony before the Senate Foreign Relations Committee, reportedly said: "Some states are growing very rapidly in an all-out search for energy-states like China and India- that is, really sending them into parts of the world where they have not been seen before. And challenging, I think, for our diplomacy."

For example, near our borders, both China and India wanted oil from Myanmar. Although initially Myanmar agreed to supply oil to India through Bangladesh through a pipeline, it reversed its decision all of a sudden and concluded a deal with

China.

China is comfortable with Myanmar's political situation because the country is stable and has developed good relations with it. Myanmar sees India and Japan supporting the opposition leader Aung San Suu Kyi (Suu Kyi's mother was Myanmar's Ambassador to India when she was a child and much later she pursued her studies in Japan and speaks Japanese fluently).

China is also nervous about the US too. The lawmakers objected to Chinese oil company to buy Unocal and China has not been happy about it. They think the US wants to marginalize China in its quest for a great industrial power. Chinese military strategists worry that the US might try to block oil supplies in a confrontation with Taiwan.

China's demand during the next 15 years, according to many economists, could double. China that has nine nuclear plants, will build more plants than any other nation over that time. It has been building the largest dam, Three Gorges Dam on the Yangtze river, in south western China to be completed by 2009 (The dam is expected to flood 19 cities and 1300 villages and will displace 1.9 million people).

Leaders of China want to boost strategic petroleum reserves, which could be used during emergencies. If war or terrorism disrupts oil supplies China does not like to take risk.

The energy security is strategically important for China. It wants to keep Indian Ocean and South China Sea under surveillance with its navy so that ocean lanes are not disrupted from the Middle East to China.

The Bush administration is watching closely Chinese efforts to get oil from anywhere in the world. As the US Secretary of State has said that Chinese energy diplomacy has been a concern for the US. This is partly because the US is perceived currently a "war monger" and the Iraqi war has undermined its goodwill in many oil-rich countries. They are inclined to prefer China to US in dealing with energy supplies because they think that US does not respect them.

The relationship between China and the US is compared by many is that of "love and hate". It oscillates between admiration and condemnation. One thing is becoming clear that balance of power has subtly shifted towards East and it will reverberate in decades to come. There lies the significance of the visit.

George Kennan, an eminent US foreign policy expert, stated in 1999: "Pure military power, even in its greatest dimensions of superiority, can produce only short term successes."

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