

HUNDRED DAYS OF DEMOCRACY

Economic Front: Cautious Sailing on a Stormy Sea

by Moazzem Hossain

Purely on the economic front, one hundred days in the office for Bangladesh Nationalist Party (BNP) can be described as a quasi-passive — half active and half passive — phase. It is an admixture of new actions in some fields, and hesitancy or dilly-dally — circumstantial or deliberate, in other areas.

Admittedly, the scope for any better profile is limited because the time-frame is too short, and, that also, for the Bangladesh economy which faces the most intractable problems, on an unremitting, if not aggravated, scale or intensity, even after two decades of independence.

The situation defies any shock-therapy and, more so, because of unwholesome practices, perfidies, distortions and imbalances of the recent past under an authoritarian regime. But the latter reason alone should have dictated a more accelerated pace of actions on the part of the elected government on the economic front for an early turnaround. The problems of massive deficit of railway, staggering system losses in power and other utility sectors, perennially loss-making public enterprises, indolence and inefficiency of an overexpanded government outfit at the expense of public money, burden of huge under-utilized capacities in both private and public sectors et al call for hard actions. The forces, resisting such actions, should not be appeased. This requires resolute political will, determination and dexterity.

Yet then, the circumstances which made the government's challenges, on the economic front, all the more difficult must be admitted. The century's worst cyclone and tidal surge hit the country's eastern seaboard and coastal islands on April 29 last, on the 42nd day in office for the BNP. The extent of loss to various sectors of the economy has been estimated anywhere between 2.5 billion and four billion US dollar, besides the appalling human tragedies it caused. The floods in the eastern part, and tornadoes and other natural calamities in other areas followed close on the heels of the cyclone and tidal surge.

The exigencies necessitated immediate disaster management operations on an extensive scale, taking precedence

over everything else. This has no doubt interfered with the pursuit of the goals for a more stable macro, or, overall, economic policy framework, along with actions for sustained development. The most critical phase has been overcome now with the full administrative thrust, cooperation of the broad sections of the people, assistance of the international community in forms of cash, relief goods, and logistics support and, above all, the resilience of the survivors.

On the economic front, the backdrop against which the new government has been installed in office has been a very disconcerting, if not frustrating, one. The economic difficulties, arising out of the invasion of Kuwait, domestic political upheavals, and the Gulf war have been severe. Economic trends under the fallen Ershad regime have been quite discouraging. Public savings declined to one per cent of Gross Domestic Product (GDP) in 1989-90, caused by a phenomenal expansion of unproductive expenditures, stagnating revenue collections, and financial profligacy. Gross domestic investment as a percentage of GDP fell from about 15.9 per cent in early eighties to about 10.7 per cent in 1989-90. And with that, efficiency of investments also plummeted alarmingly because of corruption, leakages and crony capital operations. The Acting President in his inaugural address to the fifth Jatiya Sangsad (Parliament) highlighted the core economic problems.

The BNP government has focused its attention on restoring discipline in the financial sector. The names of "large defaulters" in repayment of bank credits or loans have been published while actions are reportedly underway to initiate other moves to recover overdue loans/credits. The enactment of Bank Company Law by the new parliament has provided the legal framework for such actions.

The actions for enforcing credit discipline have been long overdue. The withholding of second instalment credits under the World Bank-supported financial sector reforms has apparently provided a compelling reason for the government to move ahead with its new initiative. However, the private sector bodies have ex-

pressed some reservations over the way the government is addressing this long accumulated problem in the ailing financial sector.

In another action, the government has written off all outstanding agricultural credits up to Taka five thousand to redeem its election promises. The move will cost the exchequer over Taka 12 billion while the modalities for compensating the banks for such a blanket exemption are yet to be announced. The government provided earlier in fiscal 1990-91 about Taka 17 billion support to the banks and financial institutions for restructuring their capital, on proportionate links with their respective deposit holdings. This support did not involve any cash transfusion as it was extended in the form of 15-year bonds carrying fixed interest charges. As a result, domestic debt servicing burden will rise in the coming years.

Also to redeem its another electoral pledge, the new government exempted the land development tax on agricultural holdings up to eight acres, virtually eliminating taxation on agriculture. There was a substantial revenue loss because of this. Thus, revenue earnings on account of land development tax stood at Taka 600 million under the revised budget for 1990-91 compared with the target of Taka 1.2 billion under the original budget for the year. Receipts from land development tax have been estimated at Taka 700 million under the budget for 1991-92, though no indications are given in the budget as to how the government plans to compensate for its earlier decision to eliminate land development tax.

The BNP government's apparent major success on the economic front has been the support which the Bangladesh Aid Group in its 18th annual meeting in Paris extended to it in the form of aid pledges for 1991-92. This was the first meeting since the election of Bangladesh's democratic government on February 27, 1991. Donor pledges for the year for aid to Bangladesh totalled about 2.3 billion dollars and the figure compared with 1.8 billion dollars pledged last year when several donors were not in a position to "pledge because of their concerns about economic management".

The pledged amount of 2.3 billion dollars for 1991-92 does not however include the Japanese aid because of technical budgetary formalities of the latter. When Tokyo would make its pledge, the external aid situation would be still more promising for Dhaka for 1991-92.

The increased amount of aid pledges symbolises, what Attila Karaosmangolu, Vice-President, Asia Regional Office of the World Bank who chaired the 18th annual Paris-based Aid Group meeting stated "renewed confidence of the group in the quality of economic management and the new government's stated intentions to accelerate economic growth, meet Bangladesh's pressing poverty alleviation needs and curb corruption." Karaosmangolu in his closure statement at the meeting also observed, "While donor community had recognised Bangladesh's need for substantial assistance to deal with its multifarious and difficult problems, this could not by itself have justified increasing support in the absence of demonstrated performance and tangible results."

And "demonstrated performance" and "tangible results" will be the main challenge for the new government. Indeed, the challenges — improvements in the macro-economic situation, the progress in reforms matching commitments for a market-oriented competitive economic structure as well as poverty alleviation, the strengthening of development

programmes in key social and infrastructural sectors, which confront the government "remain awesome and will require a sustained commitment and resolute efforts." Development aid commitment for power sector, to cite here an example only, is now frozen despite the availability of a substantial volume of funds in the pipeline and disbursements are unlikely to resume before the system loss is brought to a minimum.

The new government has meanwhile announced its first national budget for 1991-92. It is not otherwise heavily loaded with fresh taxes. But the major brunt of several measures, paraded under it as tax reforms and new fiscal measures, would fall adversely on the overall economy — production, prices, savings and investments. The government has also approved the controversial Value Added Tax (VAT) that becomes effective from July 1.

A clear scrutiny of the measures particularly on the taxation side under the new budget is somewhat difficult in the absence of "Abstracts of Tax Proposals". Unlike the past, it is missing this year in the Finance Minister's main budget speech. Many have commented that the budget speech, without the abstracts of the new fiscal measures or changes, lacks in transparency, though the government has stated time and again that it is strongly committed to clarity, transparency and accountability for all its operations. "Accounting tricks" that is how a leading chamber body chief has termed the new fiscal measures, designated as tax reforms or rationalisation moves and not as new taxes by the Finance Minister.

The overall expenditures proposed under the budget reflect however a greater tilt toward expanded development programmes, a welcome change in the right direction.

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The Nation Needs a Sense of Direction

by Amanullah Kabir

What Bangladesh needs today is a sense of direction that has to be determined on the basis of national consensus. And the nation can be given a sense of direction only after fulfilling the preconditions that require solution of some fundamental issues and problems confronting since its birth almost 20 years ago. But even such a long period has proved inadequate for us, particularly for the political leadership to identify the controversial fundamental issues and problems, find out their solutions and set the wheel of the nation in a direction. It's like a rudderless ship in a turbulent sea and its destination is still a point of controversy. In fact, all the successive governments, including the most popular ones of Sheikh Mujib and Ziaur Rahman, have failed to bring the whole nation to a point of consensus on the fundamental issues for a successful take off.

Of course, both Sheikh Mujib and Ziaur Rahman tried to resolve some issues that were dividing the nation, and to this effect, for example, Sheikh Mujib declared general amnesty to the so-called collaborators of the Pakistani occupation forces but without giving them the right to politics and later Ziaur Rahman tried to consolidate the national unity by allowing them to do politics. But what would sound rather unbelievable is that all of them, except General Ershad, who headed the successive governments, came to power unprepared and had to plan things after having established themselves in the saddle. Thus, they fixed their eyes on the issues that called for immediate attention of the government and planned things, both political and economic, accordingly. As a result, all the political and economic plans were done on an ad hoc basis and judged in perspective, it can be said, the state affairs too were run on an ad hoc basis. And there lies the whole tragedy; ad hocism, in running the government, has since become order of the day. Ershad took advantage of the situation, planned things without caring for the people's opinion and the national interests, seized power from an elected government to destroy all institutions and values to make the country subservient politically, economically and culturally to external powers.

However, the successful mass movement against autocracy has brought the unique opportunity for soul searching, reviewing and reshaping the things to give the faltering nation a sense of direction and dynamism in order to restore people's confidence about their future journey towards an unhindered progress, not to be punctuated by spasms of political hatred and anger. Let all political parties and sections of

people who matter, come forward with an open heart not to miss the opportunity that has come again after almost 20 years since the liberation struggle when the whole nation was united, to sink differences over the fundamental national issues and problems once for all and reduce the area of contradictions. The fundamental issues that the nation has been confronting all these years can be listed as follows: 1) State principles, 2) Evaluation and determination of the historic role of Maulana Bhasani, Sheikh Mujibur Rahman and Ziaur Rahman in the liberation struggle, and 3) National identity.

Following are the fundamental problems:

1) Form of government, 2) Economic policy and planning, 3) Administrative policy and planning, 4) Flood control and 5) Cyclone (or natural calamity) preparedness.

The state principles are still being debated and all political parties, particularly the major ones — BNP and Awami League — have serious differences over two of the state principles. Ziaur Rahman replaced "secularism" by "absolute trust and faith in Almighty Allah" and "socialism" by "economic and social justice". In the much talked about constitution amendment bill which is expected to be placed before parliament sometime this week, Awami League has proposed reverting to the originally incorporated state principles — "secularism" and "socialism". BNP with the changes sought people's mandate thrice and was voted back to power every time, but the controversy is not over and Awami League has not deviated from its stand.

The chronological developments and events of the liberation struggle have been compiled and published in the form of books, but the role played by Maulana Bhasani, Sheikh Mujibur Rahman and Ziaur Rahman in the struggle for independence has not been properly evaluated and rightly placed in the history of the nation. Consequently, conflicting opinions about the national heroes are persisting in the society and a new generation is coming up with unnecessary contradictions which often burst into violent clashes.

One of our state principles is Nationalism. But controversy arises when Awami League and its allies call it "Bengalee Nationalism" and BNP and the like-minded parties describe it as "Bangladeshi Nationalism". What is interesting is that the proponents of Bengalee Nationalism are also the proponents of secularism. They stand for secularism because they, by the very word, want to integrate people of all religions into one group having no particular religious identity, while Bengalee nationalism has a narrow meaning confined to the cultural identity of particu-

lar section of people speaking only Bengali and it excludes people of other identities like different tribes living in the hill tracts of the country. The controversy has created a crisis of identity particularly among the members of the new generation.

It would be a great achievement for the nation when it will have a form of government by consensus. Both the ruling BNP and the major opposition party Awami League are going to move two separate constitution amendment bills, but with the same objective of reverting to the parliamentary form of government. So, we can hope that for the first time all the political parties are going to resolve at least one national problem on the basis of consensus, which will no doubt reduce the area of controversy.

The administrative policy pursued by the successive governments has painfully failed to bring any change in the country's administration. Because of the absence of a well-thought administrative policy and planning, it hardly makes any difference for the common people whether it is BNP or Awami League that is in power. It is better to call it a bureaucratic trap than an administration which was supposed to undergo an overhauling immediately after independence to suit the purpose of the newly emerged country and its objectives. It has virtually become immune to all laws of the country and public scrutiny. The bureaucrats were never punished under the collaboration law or tried for collaborating with the autocratic government of Ershad or for amassing wealth or abusing power. In fact, they are more powerful than any government. And no government can implement its ideas and policies successfully if those do not suit the interests of the bureaucrats. It is not possible on the part of any government to do good to the nation if the administration has no public accountability and it will be a useless exercise only by making the party in power accountable to the people.

Flood is now a multinational problem and a solution requires active cooperation of all the countries of the region including India which, as we saw in the past, showed an indifferent attitude to the Bangladesh cry. The flood problem is not all natural but man-made to a great extent, threatening the viable existence of the country. It is now clear that the flood problem and the water sharing issue need a political decision of the government for arriving at permanent solutions. The problems, though they call for urgent solutions, could not be resolved in the past only because of lack of strong political decisions which only a popular government can take.

How Others Look at BNP

by Chapal Basher & Nazmul Ashraf

Mohammad Nasim

Mohammad Nasim, Chief Whip of Opposition in the Parliament and a central leader of Awami League complained that the BNP government had failed to fulfill the commitments made in the joint declaration of three alliances though the party is in power for over one hundred days now. He termed this failure as 'unfortunate'.

While making comments on the performance of BNP government under Begum Khaleda Zia, the AL leader said that the movement for democracy was based on the joint declaration in which all the parties were unanimous on three fundamental issues. It was agreed that the commitments on the issues would be implemented through adoption of positive steps in the newly elected parliament. "One hundred days have gone by and we are in the midst of the second session of the new parliament. But for the reluctance and lack of initiative of the ruling party, none of those commitments have been materialised," he deplored.

Mohiuddin Ahmed

Mohiuddin Ahmed, Chairman of BKSAL and leader of party's parliamentary group said that a period of one hundred days is too short to evaluate a new government. "The government of Khaleda Zia could not do anything worth remembering during this period," he said and added that it could be a memorable event if the Amendment Bill for switching over to parliamentary system could be passed by this time. He deplored the delay in moving the Amendment Bill and said that BNP wasted much time for this.

He held the BNP government responsible for deteriorating law and order situation and said that the government has little initiative to solve the problem.

Suranjit Sengupta

Suranjit Sengupta, a member of the parliament belonging to Ganatantri Party believes that the country is yet to have a democratic government in true sense, so the success or failure of BNP government cannot be evaluated at this moment.

Commenting on the performance of present government he maintained that the government was being run by both Acting President Shahabuddin Ahmed and Prime Minister Khaleda Zia and that a duality was still prevailing. Mr Sengupta mentioned

about the joint declaration of the three alliances and said that the phases of transition to democracy were clearly indicated there.

"But things became stagnant after the election," he deplored and said that it was the constitutional responsibility of BNP to move the Amendment Bill since this party was allowed to form the government as the majority party.

Rashed Khan Menon

Workers Party leader Rashed Khan Menon maintains that the time for evaluating the performance of Khaleda Zia's government is yet to come. "Performance of 100 days is not enough to evaluate a new government, since this government took over after nine years' rule of an autocratic regime," he said.

Describing his impression about the BNP government and its activities, Menon said that instead of handling political problems, this government has been engaged in obtaining authority on the administration. "So the confidence of the people in this government has not yet developed and the BNP government so far could not achieve much," said Menon adding, "Khaleda Zia is trying to assert herself, but could not concentrate on economic and other issues."

Maulana Matur

Rahman Nizami

Jamaat-e-Islami Parliamentary Party leader Moulana Matur Rahman Nizami is hopeful that the present government will be able to fulfill the hopes and aspirations of the nation in course of time.

Citing the proverb 'morning shows the day' Nizami who is also the Secretary General of the party viewed 100 days are not enough to comment on success and failure of a government. However, he asserted that within this short span of time BNP, since its assumption of power, has been proceeding towards the steps to materialise nation's dream of a peoples' representative rule in the country by means of switching over to the parliamentary form of government.

Shamsuddoha

Shamsuddoha, the leader of Communist Party's parliamentary group said that no change in the country was visible during one hundred days of BNP rule, except the change of a government.

He believes that there was scope for this government to do something for the people even within this short period.

The CPB leader said that if the BNP government fails to bring any change for the people, then the whole democratic force will have to face questions since the new government was the product of a democratic movement.

From Lady of the House to Leader of the House

A Star Report

EVERYONE has seen the cigarette advertisements where a 19th-century woman's picture is juxtaposed to the modern 20th-century woman's, and the caption reads, "You've come a long way, baby." Much the same could be said of Prime Minister Khaleda Zia, whose housewife-to-leader story is one of loss and suffering, of endurance, and of hard-won victory. Hardship and violent change are an integral part of any politician's life, especially in volatile regions of the world, but Begum Zia's singularity lies in her apolitical background, her quiet and easy married life, which, abruptly shattered, left her to face the harsh demands of a political crusade essentially unprepared and untutored. Unlike her predecessors in the subcontinent, she was neither born into a politicized family nor is she highly educated and practised in the art of politics. Because she started, so to speak, from scratch, she has undergone profound changes both as a person and as a politician over her years in opposition and her months in power.

Many of these transformations are rooted in her nine-year fight against the former regime. Her stern, head-covered figure was born after her induction into politics following her husband's death. Previous acquaintances remember her as chatty and smiling, a typical army wife, fond of nice clothes and jewellery. Even now, she is meticulous and careful in her dress, though the demands of public office have subdued her style. Her once-relaxed life of late mornings has given way to a schedule of arrival at the office by nine and working till well past midnight. Sources say her staff of four is hardly adequate to handle four ministries plus her duties as Prime Minister.

Close aides find that Begum Zia prefers taking her time to think over issues before arriving at decisions, which she tends to make late at night. "She can be obstinate," says one aide, "even eccentric, but she is usually open to sincere advice. Once a decision is made, she will stick to it."

Many marvel at her lack of personal or partisan bitterness. A few years ago, she visited Opposition Leader Sheikh Hasina's house to pay her Pabeha Baisakh respects. When Aminul Haq offered to resign from his post of Attorney-General after BNP's February victory at the polls, citing his Awami League affiliations, she reportedly commented that as long as his loyalty was to the country, his party leanings mattered little. There are a number of opposition members and associates whose opinion she esteems and seeks frequently.

Begum Zia had often been accused of aloofness and remoteness before her rise to power. Diplomats and staff members now remark that she is far less withdrawn, more at ease, both in private consultation and during public speeches. Part of this is due to her having acquired a certain confidence during campaigns and especially since becoming Prime Minister. One Western diplomat said he had no difficulty communicating with her in English, though a mere three years ago it was often unclear whether she understood all that was said to her in English. This progress is said to stem from English lessons with a private tutor. Begum Zia herself refutes the accusation of aloofness, pointing to her years of political struggle, during which she came into close contact with the people. However, she remains an intensely private person. When asked personal questions, she eludes the issue with a smile. Staff members say she guards her privacy and that of her family's zealously.

"She dislikes dishonesty," is a comment that arises often when sources close to her are asked about her personal principles. Her commitment to the anti-corruption drive emerges forcefully in her private conversation. During her recent trip to Saudi Arabia, she reportedly forbade her entourage to go shopping. Anyone who did, she is said to have warned, would have to find their own way home. Unlike the issue of subtle make-up and conservative dressing, the fight against corruption is said to be something she believes in personally rather than a bow to popular opinion.

A diplomat who declined to be identified finds her "a changed person," from three or four years ago. "She listens well, and talks well. She seems to have a good grasp over a number of administrative problems," he said, adding that her solutions to those problems often seemed a little simplistic.

If she has come a long way, she also has a long way to go. Time, experience, a dose of failures and successes will contribute to the development of her political instincts and maturity. Her contribution to the downfall of autocracy is unarguable, and her judgement and clarity in accepting a parliamentary form of government is a commendable show of willingness to adapt and consider the opinions of others. She can now step out of the long shadow of her husband and go further to implement real steps to progress and emerge as a leader who has truly come a very long way.



Prime Minister Begum Khaleda Zia in conversation with S.M. Ali and his colleagues from The Daily Star.

Conversation

Continued from page 4

DS: Are you facing any obstacle in running the government? If so what are the main obstacles?

PM: There is no single, main obstacle. You find obstacles everywhere. Ershad created such an atmosphere that you face obstacles at every place. We have spent the 100 days tiding over such difficulties, and are overcoming those gradually.

DS: How do you feel about being the Prime Minister? Are you happy or overburdened with responsibilities?

PM: (pause)... Yes, it's something different. We had been on the street for so long. Now we are in government. However, since we have the sincerity and the will to work for the people, we do not feel bad. We do not feel that we cannot deliver the goods. We have the confidence and the faith.

DS: You might have to remain very busy as you are the Prime Minister. Maybe you can no longer find the time to enjoy lighter things — music, spending leisure with children etc. Do

you really miss these things?

PM: It's natural that I have to be busy. There has been a change in my life pattern. But you should, as journalists, have seen that we had been very busy also during the last nine years. We had to pass many difficult times. We could not talk to friends, we could not enjoy music. We also could not read and write. So it's nothing abnormal.

DS: However, we miss you in diplomatic parties...

PM: Really! (laughs)...

DS: Do you have leisure? For how many hours do you work a day?

PM: I almost get no leisure time. It depends on the work load. If I return home earlier on any day, I get a little bit of time. But again I have to work till late at night on most days.

DS: What do you do whenever you get any leisure time?

PM: Relatives try to come to me whenever I have leisure time. My boys also want to spend some time with me. I try to spend leisure with my family.

DS: Thank you, Prime Minister, for your time.