

Democracy's Roller Coaster Ride in Bangladesh

With democracy's roller coaster ride under the two large political forces during the last nine years, the future is hard to predict. However, democracy's fortune in Bangladesh at least in the medium term hangs on two strong personalities: Sheikh Hasina and Khaleda Zia. Since they are not even in talking terms, it is not a healthy environment for the democracy to be nurtured effectively.

by Dr Moazzem Hossain

AFTER the AL assumed government in 1996, it seemed that democracy in Bangladesh was taking a shape of UK style, having two major political parties and a party with an important third place. One anticipated that this third party (undivided JP) would occupy an important role in making future governments in Bangladesh since the large two parties (AL and BNP) were unlikely to get an absolute majority in the parliament and govern on their own rights. However, during the last four years things have changed and the wind has taken a turn. If one examines the present day political environment in the country, it is clear that the AL remains as a single largest force and the four-party alliance (BNP, JP Ershad, Jamaat and IOJ) makes the other. At present, the electorate has no choice of a third established force except voting for an independent candidate or candidates from other minor parties, if any. It is unlikely that the left or the centre left forces is going to be strong enough to occupy the role of a third force in the near future. Here, the aim is to analyse closely the two democratic regimes of Bangladesh since 1991, and to make some observations on democracy's future.

BNP-led democratically elected government (1991-96)
Almost all pre-election opinion polls in 1991 had suggested that the AL was to win with an absolute majority. But it did not happen and the pollsters proved wrong. The BNP with the support of Jamaat came out as the majority party in the Parliament and formed a government led by Begum Khaleda Zia. Begum Zia's regime was making a good progress in the economic front with an efficient finance minister (Saifur Rahman) at the helm, but her mentors in political front had been making strategic errors one after another. That was, of course, no wrong doing on the part of the BNP's political strategists but their lack of experience on parliamentary practices. This was

due mainly to the presidential form of government the country was experiencing before 1991. Moreover, a good number of MPs and ministers of Begum Zia's government had served under either General Zia or General Ershad's presidential regime between 1977 and 1990. These politicians in 1991 were not only ill equipped for newly found parliamentary governance in Bangladesh but also refused to adapt quickly with such a system. One could recall that although Begum Zia was a Prime Minister but her style of governance followed closely a presidential character.

As seen in the past, the BNP has supported a parliamentary form of government with reluctance. This was proved true by its actions during 1991-96 period. In the mean time, the AL rightly identified the weaknesses of Begum Zia's regime and was successful in branding Begum Zia as a Prime Minister with presidential style of governance. In her five years rule, she was indifferent to use parliament as the nucleus of nation's politics. This distanced the BNP to an extent from the electorate. Moreover, the BNP's political strategists took some unparliamentary and undemocratic decisions to arrest the opposition's (AL-led) strong movement initially on the issue of rigged-by-elections and later on establishing a caretaker government before the general election in 1996. For example, holding a unilateral general election on 15 February 1996 was a suicidal move and is universally accepted as the cause of the BNP's unprecedented defeat in 1996 general election. Uncompromising attitudes of some of the BNP hardliners towards popular demand steered by the AL-led opposition (although with a damaging movement like non-stop hartals) further divorced the BNP from people. In contrast, the AL took all opportunities from such a shaky ground of the Begum Zia's government and the BNP's half-hearted commitment towards parliamentary democracy. The AL's strategy paid off.

AL-led democratically elected government (1996 - present)

It was perceived that the AL-led government would make politics difficult for the BNP after assuming power in 1996. It has been true to some extent. Until now it appears hard for the BNP so that its hardliners forced to form an alliance with two formerly rejected forces (General Ershad's JP and Gollam Azam's Jamaat) of the country to wage movement against Sheikh Hasina government. This made the BNP look weak and injured to the eyes of the neutral voters as opposed to BNP's position before 1996 general election. One should not forget that in a democracy the neutral or swing voters make or break a party in power. It is likely that these voters will desert BNP in the 2001 general election due to its electoral alliance with the rejected forces. Once again, the BNP's political strategists perhaps have been making wrong moves.

Under this situation, of course, the winner is the AL although only in the short run. In the long run, this advantage to the AL is not going to bring a healthy democratic environment for the nation. A weak and ineffective opposition, like in the past (mid-1970s and 80s), may seek unconstitutional means to grab power. President Zia's assuming power in 1977 with Pakistani style 'yes/no' vote and with the support of civil politicians from both left and right camps (late Mashur Rahman and Shah Aziz respectively) is a point in mind. It was highly unlikely that Mashur or Aziz could ever become part of a government under a parliamentary form, although they had personal popularity in

their local electorate. They were handpicked by Zia to form a political party. The subsequent regime of General Ershad was also a repeat act in 1981 with the support of Kazi Zafar, Shah Moazzam and co. There is no dearth of so called left and right politicians now as well. A weak opposition could make the AL, once again, a target of the conspirators (the Prime Minister alluded to this on 5 June 2000 in a news conference while replying to a question on the issue of tight security in the JS building).

The most recent cases of the fate of the elected governments with a weak opposition can be found in Pakistan and Fiji. In Pakistan, Nawaz Sharif's Muslim League made the PPP (second largest force in Pakistan's short-lived democracy) almost redundant in the last days of his regime. In the parliament, Sharif wanted a free ride since Ms Bhutto was thrown out of the country, thanks to the corruption charges against her. The major objective of Sharif was to make the opposition irrelevant, so that he can rule the nation with an iron fist. The Fijian example, on the other hand, is more tragic. A few armed terrorists had robbed the nation of a democratically elected government. One does not suggest that this may happen in Bangladesh. However, these events remind us the past conspiracy witnessed by the nation in its early days after liberation. One must not forget that the conspirators are well and alive in the nation.

Therefore, making the large opposition party irrelevant is not a healthy environment to nurture democracy effectively in the long run. The AL govern-

ment must abandon this path if it had in this regard a slightest intension in mind. One does not have to mention that this is the only party in the nation that is proud of its history and of its former leaders. To preserve its trust and dignity in the eyes of the electorate it must accommodate reasonable grievances of the opposition, specially BNP. On the other hand, as far as the BNP's present role is concerned, it does not make any sense at this stage of BNP's stature (when they once governed the nation with popular votes) to make an electoral alliance with rejected forces. One should remember that it was the swing voters who unseated BNP in the 1996 general election. It is in no way the BNP can bring them back by making alliance with undemocratic and anti-liberation forces. One may argue that the AL also waged movement against the earlier BNP government taking Jamaat under its fold. While it is true to some extent, but as an opposition leader, Sheikh Hasina never shared a stage with either Gollam Azam or General Ershad. Moreover, the suggestion of forming a coalition government by Khaleda Zia, General Ershad and Gollam Azam after their successful bid in the next general election is ludicrous. One hopes that common sense will prevail in BNP's democratic and pro-liberation forces and make its leader abandon the present course.

What Future?
With democracy's roller coaster ride under the two large political forces during the last nine years, the future is hard to predict. However, democracy's fortune in Bangladesh at least in the medium term hangs on two strong personalities:

Sheikh Hasina and Khaleda Zia. Since they are not even in talking terms, it is not a healthy environment for the democracy to be nurtured effectively. The next general election is only a year ahead. One can expect three possible outcomes from the 2001 general election: i) a second term for the AL, ii) a win for the BNP-led alliance, and iii) a chaos. The Prime Minister Sheikh Hasina has expressed that she wants a second term. The way events are unfolding now in the opposition camp it may not be unlikely that the PM's desire is fulfilled. However, it is not going to be a plain sailing. There are at least two sensitive spots one can identify which could make or break the AL's image to the electorate: i) proper handling of the Bangbandhu murder case (keeping watchful eyes on the conspirators and equally not to be provoked by the pro-terrorists and ii) managing effectively the 'Greater Dhaka' factor. What is the 'Greater Dhaka' factor? The Greater Dhaka (Dhaka City, Narayanganj, Manikgonj, Munshigonj, Narshingdi and Gazipur) has the nation's 12 per cent parliamentary seats. These are intensely contested by the AL and BNP with low margins and there was a huge swing to the AL in the last election. The AL won 17 and the BNP won 18 seats in the 1996 general election. No second greater district in the nation has a neck and neck result like Dhaka. The outcome of these seats will be the litmus test for winning the next election. There are three more greater districts adjoining Dhaka where the nation's swing voters live and like Dhaka these are the regions where the elections are fought on national than local issues since they are close to the capital. If the AL can maintain the status quo in these four districts during the next one year, it is likely that the AL will return.

However, Sheikh Hasina rightly identified recently that there are 35 constituencies where the AL members have been indifferent. For winning a second term the AL cannot afford to become indifferent in

such a large number constituencies. In democracy there is a word called 'late swing' and the AL is supposed to know it well from the 1991 outcome.

Regarding the second outcome, a win for the BNP-led alliance is a lesser possibility. Whatever equation the BNP has in mind, the electorate is not yet prepared to forget and forgive the anti-liberation and fundamental forces. Moreover, the swing voters know it well that any coalition between the BNP, JP Ershad and Jamaat is not going to last long and will create further instability in the nation. Also, the BNP's shoring alliance via a seat sharing formula is of little sense. This will have almost no effect in the short run (2001 general election), however, is likely to benefit the JP Ershad and the Jamaat in the long run. In order to win 2001 election, the alliance must win seats currently held by the AL in Dhaka, Comilla, Mymensingh and Pabna districts. Under the present circumstance, it is highly unlikely that the divided JP, Jamaat and IOJ will be able to inflict the AL any serious blow in these districts with the support of the swing voters. It was possible by the BNP and BNP alone since they held most of the seats under the present seat sharing formula with its alliance members. The BNP seems to have sealed that possibility. The BNP political strategists perhaps forgot that under the leadership of a civilian leader, Khaleda Zia, it won a parliamentary election on its own right in 1991. Since it lost the subsequent election, it does not mean that it will never win again on its own right. This is a classic case of low moral after a defeat and the BNP perhaps has been suffering from it. Making alliance is not a solution to a low moral or for that matter winning the next election. The solution lies to face the ruling party face to face in the parliament and also keeping a constant contact with the electorate. Over the last year, the BNP parliamentary members had hardly done any work after boycotting the JS sessions. While in the politics the major objective is to win an election, it is also equally important that when the party faces defeat it must keep itself integrated for the sake of long term gain. The integration in the BNP will be more effective, if only it brings nationalist forces under its fold and not by an alliance with different and rejected elements.

Chaos, the third outcome, is not likely to happen if the election is won by either forces with a decisive majority (at least a

margin of 15-20). Only a hung parliament or a soft caretaker government with a polarised EC may invite chaos. This also remains a remote possibility since there will be a presence of strong national and international observers in the election. However, one hopes that the electorate will avoid electing a hung parliament and will act decisively for democracy's sake. In Bangladesh's present political environment a hung parliament can be a recipe for disaster.

Conclusions

To nurture democracy further and to protect the nation against conspiracy, the government needs a strong opposition in the game. The AL government should accommodate and create an environment to bring the opposition BNP back to the negotiation table before the next general election. The PM's gesture surrounding the CEC's appointment has been a step to the right direction. The government should keep the process of bringing BNP to a dialogue alive. A genuine interest on a dialogue will bring trust for both parties from the uncommitted and swing voters. One must accept the reality that the present environment does not permit a face to face dialogue between the heads of AL and BNP. However, if an environment can be created within the tenure of the present government to engage the next tier leaders of both forces on a dialogue, the democracy's roller coaster ride in Bangladesh will become a bit smoother. In this regard 'Kibria-Saifur' option can be floated again. One should remember that there is no last word in politics. The Opposition Leader, therefore, should consider this option again. The ball is in her court now.

Moreover, a huge responsibility rests on the shoulders of the government to avoid history to repeat. There must not be any lapses on the security question. It does not need a high intellect at this stage of Bangladesh's politics to understand that conspiracy may start brewing once again against democracy with the pretext of a weak opposition, a deteriorating law and order, and an unworkable parliamentary democracy. To avoid anything untoward to happen again, we hope common sense will prevail with the pragmatic forces of both sides for taking practical steps to give the nation sustained opportunity to enjoy fruits of democracy further.

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POWER PROBLEM

Contemplating Solution through Indigenous Private Sector

by Muhammed Aziz Khan

BANGLADESH is facing serious power shortage because of system loss and theft which is at an endemic 40 per cent resulting in her inability to invest in improving transmission and distribution or to increase generation capacity.

While the solution through cost-sharing system 'loss' and theft is political and long term, increasing power generation can indeed be achieved in a very short time. In that scenario lesser investment will be required in transmission also.

Power generation has not increased as the present and past governments were made to believe that very large generation units such as 350 MW and 450 MW are solutions for the country. This is in fact not true because of the following rationale:

- The capital, credit and experience required for such large projects are never available in Bangladesh, and as such only multinational companies can develop these projects.

- As a consequence, these projects require at least five years to implement.

- The foreign investors and debtors require their payment in foreign currencies, burdening the treasury of the country.

- Multinational companies perceive Bangladesh as high-risk investment and therefore require higher return (profit) thus increasing the power generation cost.

- Centralised large power generation plants require a very high investment in transmission and distribution of generated electricity.

- In international tenders for large projects Bangladesh companies cannot participate as they do not possess experience for such large projects.

- The demand pattern and load curve of electricity in Bangladesh shows a 40 per cent difference between peak and off peak hours. Large generating units with continuous production are not flexible enough to handle this kind of load curve, resulting in inefficiency. (Graph-Annexure I)

Probable Solution

Alongwith large power generating plants, Bangladesh should have decentralised power production in smaller units of 20-50 MW. The arguments in favour of the solution are as follows:

- Each plant of 20-50 MW will cost about 10-25 million US dollars which can, in addition to foreign investors, be undertaken by entrepreneurs of Bangladesh.

- As a consequence, the gov-

ernment of Bangladesh will be able to buy electricity in local currency (Taka).

- This will allow indigenous private sector to retain profits locally, from power generation. The local banks will also have better loan portfolio and earn interest.

- Once these companies float their stocks in the stock market, which is in doldrums, it may get a boost from quality shares.

- The implementation period for small power plants is one year and as such is implementable before the next peak season.

- Small units are flexible to the local demand curve, as such units can be shut on and off easily, bringing in efficiency.

- Technically, some may argue that larger combined cycle plants are more efficient in using gas at 52 per cent efficiency and therefore have an economy of scale. This again is not a valid argument, as today smaller units are available at quite high efficiency. In fact comparative unit cost of different independent power producers (IPPs) show smaller power plants to be cheaper in the long run. (Graph-Annexure II)

- The price of gas should be reasonable in Bangladesh therefore plant efficiency is less of a concern.

- Bangladesh government has already decided and is implementing gas transmission and distribution network including the western region of Bangladesh, which can be effectively used by these smaller power generation plants avoiding parallel transmission of energy.

- The transmission and distribution losses of electricity are high when using large combined cycles. This can be eliminated by implementing small-decentralised power plants.

- Small plants can be built in the mouth of gas well and provide electricity to rural people.

- Implementing smaller plants bring a sense of belonging to the rural people and will help implement the project and the customers will be more willing to pay.

- System loss in our villages are low. REB's system loss is 16 per cent compared to national average of 40 per cent. Smaller power projects will serve this category more.

- In view of the above, I believe generation can be increased

substantially within a very short period by implementing the following measures:

- Rural Electrification Board (REB) has to tender 10-20 MW projects for the high demand areas with available gas connections.

- Government should offer a 300-crore Taka infrastructure fund loan through nationalised banks which would be repaid directly by the government's power purchasing authority i.e. BPDB and REB through assigned bills. These funds will be available only to companies quoting rates in Bangladesh Taka.

- United States dollar appreciates on an average 7 per cent vis-a-vis Bangladesh Taka per annum, whereas Bangladesh interest rates are usually 7% higher than the United States interest rates. Therefore if Taka rates are 7 per cent higher on debt portion, the price will be comparable to US dollar prices. Keeping this in view Taka quotes should be allowed a higher pricing in the procurement process.

- Bangladesh needs power, which is the most basic infrastructure. Only 18 per cent of Bangladesh's population has access to electricity. It is a shame that we have 26 TCF to 60 TCF gas and yet our people do not have access to electricity.

- Another most important infrastructure is a pool of indigenous private sector companies. The development of these two infrastructures should be in tandem. Unfortunately the local business houses are deprived of and not provided with equal opportunity as their foreign counterparts. Here are a few examples:

- In all procurement processes especially with the advice of multilateral agencies, Bangladesh requires experience of about 200 per cent of the project for which bids are sought. We all know in Bangladesh energy sector was a government monopoly, naturally there is no experience of owning a power plant or gas related business. This qualification criteria effectively bars Bangladeshis to take part in their own country's development.

- A similar lack of experience was also there when banks were allowed in the private sector. It was addressed by giving licence to those banks who had qualified bankers, as was the case also in the insurance in-

dustry. In fact Bangladesh has a huge pool of personnel in energy sector from BPDB, Petrobangla and people working abroad. Therefore local companies should be allowed to participate in these tenders provided they have experienced personnel rather than experience in owning, otherwise there will be no indigenous firm ever owning an energy company.

- As mentioned earlier, foreign companies can access fund at US 8 interest rates which is about 7 per cent lower than Bangladesh, therefore local companies' debt cost is 7 per cent more. As such local companies cannot be competitive. However local companies can sell electricity in Taka against US 8 by multinationals and dollar appreciates by about 7 per cent. So a preference of

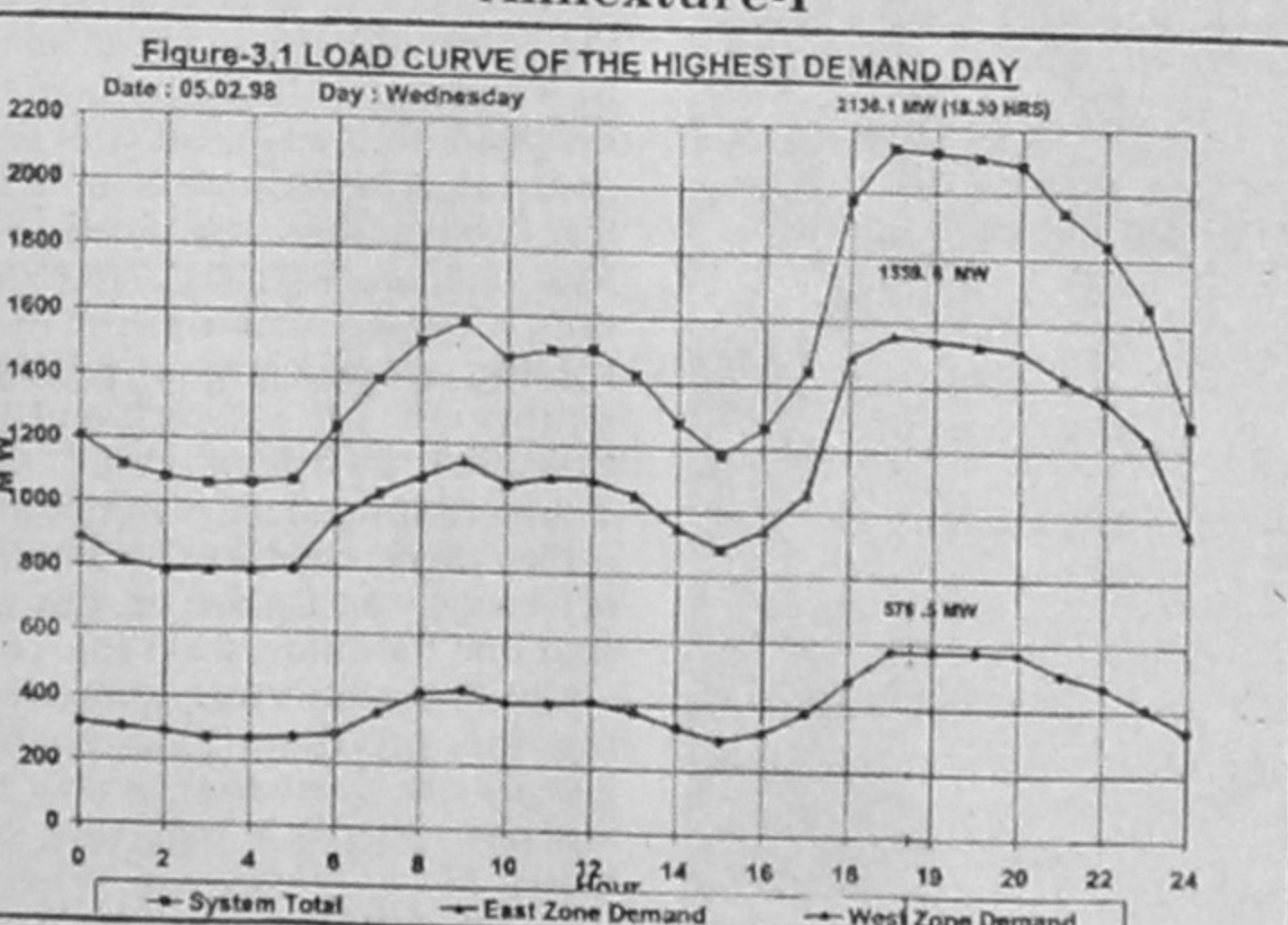
- Still another concern is tax, while the local companies have to pay a hefty 40 per cent corporate tax, multinationals usually are domicile in so called tax havens and do not have to pay tax.

- Further, today all the maps, statistics and information available with the government are provided by the multinationals who are direct beneficiaries of government decisions.

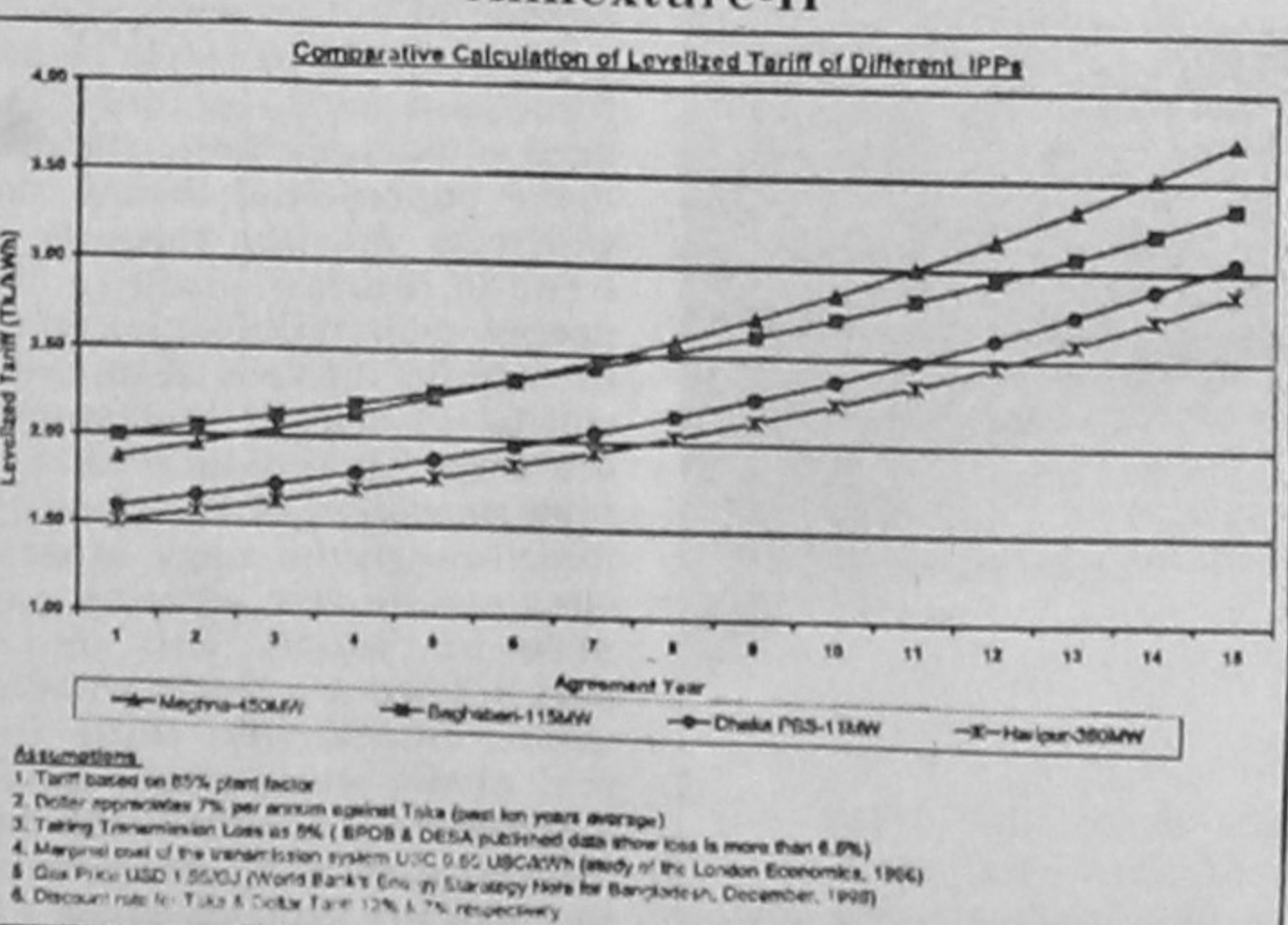
- If local companies are not allowed to develop in these very important sectors how will the country finally benefit?

The writer is chairman of Summit Group, United Summit Power Co. Ltd and Khulna Power Company Ltd. The write-up is based on his paper presented at the international conference on 'Gas and Development' held in Dhaka on 28-29 June.

Annexure-I



Annexure-II



Networking in the Fight against Poverty

by Dr Mamphela Ramphele

IN the war on poverty, an unusual pincer movement is taking shape that may offer new hope. On one side are growing concerns about problems that cannot be handled effectively within national boundaries. On the other, are the activities of ordinary people working together in their communities. While the state continues to play a central role, it is important to look both above and below it at the kinds of global and local activities that are changing the way the world works.

Just as the corporate world has addressed the challenges of globalization through cross-border alliances, new supply chains, and mergers and acquisitions, so too are international development institutions and their partners looking at new ways of addressing the problems that countries cannot deal with alone, like contagious diseases and environmental hazards that straddle international boundaries.

Global partnerships in the health care area are especially promising:

- Donor countries agreed at a World Bank meeting in Lisbon earlier last month to provide \$1 billion in soft loans to fight HIV/AIDS and other communicable diseases like malaria and tuberculosis in the world's poorest countries, especially in sub-Saharan Africa.

- A UN-led consortium is working with several major pharmaceutical companies to broaden access to care and medicine for people suffering from HIV/AIDS.

- Meanwhile, the Onchocerciasis programme, which brings together regional governments, NGOs, industrialized country donors, the World Health Organization, the UN Development Programme and the World Bank, has virtually eliminated river blindness in 11 countries of West Africa.

Another new-age network is the coalition between interna-

tional financial institutions and global civil society, which last year contributed to the expansion of a high-profile plan to remove the burden of unsustainable external debt in the world's heavily indebted poor countries, known as the HIPC Initiative. Following months of consultations — from Maputo to Oslo to Tegucigalpa — and a web-based policy discussion hosted by the World Bank, governments around the world last September endorsed an enhanced initiative to deliver "deeper, broader and faster" debt relief and a sharper focus on poverty reduction. While much hard work remains to secure full financing, the collaboration which provided the intellectual and political foundation for this breakthrough shows what can be achieved when committed men and women, from different backgrounds and affiliations, work together with trust and a shared vision of what is possible.

But global action is only half the story. Increasingly we are coming to understand how poor people are taking advantage of their relationships with one another to manage risks, share resources, and act collectively. These networks help people to acquire a wide range of assets, to get the ear of decision-makers and gain access to markets. Good examples are women's micro-credit arrangements in Bangladesh, village organizations formed under the aegis of the Aga Khan Rural Support Programme in the Northern Areas of Pakistan, and the community networks that flourish in many areas emerging from conflict.

This kind of social glue, which is increasingly described as social capital, is central to people's ability to chart their own future within their communities. The job of public agencies is to foster cooperation with community groups without stifling local efforts.

The United Nations Special Session on Social Development that opens in Geneva on June 26, 2000, will not be able to provide all the answers. But as an assembly of nations drawing together partners representing global and local networks, it offers an opportunity to get a firmer grip on the problems of people living in extreme poverty.

The author is Managing Director of the World Bank.

TOM & JERRY



By Hanna-Barbera



James Bond



WELL-?



60-TONIGHT



WHILE UNLARGE THE WATER COVER IS BLOWN

