

Elections and the future of democracy

It is clear that an enabling environment does not exist for holding free, fair, impartial and peaceful elections at this time. Thus, we need significant systemic and institutional reforms for changing the objective conditions before holding elections. We are concerned that if we force another round of elections in 2007 without appropriate reforms and negotiated agreements among major political parties, we take the risk of making them unacceptable, pushing Bangladesh to a path of serious political instability.

BADIUL ALAM MAJUMDAR

RICHARD Boucher, the American Assistant Foreign Secretary of State for South and Central Asia Affairs, in a news conference prior to his departure from Bangladesh early August, is reported to have said that Bangladesh has had three "successful" elections in the past and he hoped that the next one would be successful too.

By successful elections, he appeared to have meant free, fair and impartial elections. He also urged political parties to sit down and settle their disputes on reforms. If they are unable to agree on reforms, he reasoned, the constitutional process should continue. He further said that the United States was interested in the working of the electoral process in Bangladesh, but not its outcome. The American ambassador recently echoed almost the same sentiment.

While welcoming Mr. Boucher's desire to see that free and fair elections are held in Bangladesh, let us ask ourselves what it takes to have such elections. The 1991 parliamentary elections are widely viewed to be the fairest of all elections held in independent Bangladesh and it may therefore be instructive to examine them. What enabling conditions prevailed during that time? Do they exist now? In this context, we must also ask ourselves are only fair elections enough?

It seems that there were seven major factors that contributed positively to making the 1991 elections fair: (a) absolute neutrality of the Caretaker Government (CTG); (b) effectiveness of the Election Commission (EC); (c) impartiality of the bureaucracy; (d) evenhandedness of the law enforcement agencies; (e) unity of the people of all walks of life against autocracy; (f) insignificant presence, if any, of criminal elements; (g) commitment of political parties to democracy, particularly to fair elections. Do we have the same objective conditions present at this time?

Conditions have drastically changed since 1991. The neutrality of the incoming chief adviser of the CTG is, fairly or unfairly, questioned by the opposition parties. The changing of the retirement age of the Supreme Court justices, which ensures that Justice KM Hasan would become the chief of CTG, is primarily responsible for the controversy. With respect to the EC, it has

clearly lost the confidence not only of the opposition parties, but also of the public in general. Thus, the two most important constitutional institutions, indirectly and directly responsible for holding fair elections, are now under severe clouds.

Thanks to the widespread misuse and the practice of "clientalism" of the past decade, our bureaucracy is now totally politicised. The law enforcement agencies have mostly become the instruments for aiding and protecting the interests of the ruling elites. We have not even been able to keep our armed forces beyond question. A law enacted in 1991 (law no. 57) included the defense services in the definition of law enforcing agencies, unnecessarily dragging this important institution into controversy.

Patronage politics has managed to divide our entire nation, including teachers, journalists, trade unions, students and the like, into confronting camps. Thus, the unity among the people of all walks of life for democracy and fair elections that prevailed in 1991 is largely gone, and most citizens have now become directly and indirectly affiliated to different political parties. The so-called civil society, with some exceptions, has also increasingly indulged in partisan politics and consequently become the "evil society." In fact, in today's sick and intolerant political environment, which is almost totally devoid of ideology, the cost of remaining neutral has become infinitely high. In addition, even the neutral individuals are branded partisan by vested interest groups to discredit them.

Due to the breakdown of transparency and accountability mechanism and the rule of law during the so-called democratic period of the last decade and a half, politics has now become the den of criminal elements. Instead of upholding democratic values, political parties have become totally committed to winning elections at any cost. Losing elections is no longer an option because losing has very high costs as high as losing one's life. On the other hand, winning gives the winners a "lease" for five years to loot and plunder with impunity. In fact, politics in Bangladesh has become a business and running for parliament is now largely considered to be an investment. The sad reality is that huge sums of ill-gotten money are now floating around to be invested in the upcoming parliamentary elections.

Thus, it is clear that the objective conditions are not now conducive to holding fair elections. Given this

reality, it is highly unlikely that another round of successful elections can be held in January 2007 without substantive changes in the underlying conditions via major reforms. It may further be noted in this context that the objective conditions have progressively deteriorated since 1991, making the results of subsequent elections increasingly controversial.

One of the biggest threats to holding fair elections in the future is the lack of appropriate political parties in the country. Political parties are the engines of democracy. Democratic, transparent and accountable political parties are essential prerequisites for democracy to effectively function and truly flourish. Unfortunately, we have failed to develop such institutions in our country. There are no laws as such to govern political parties in Bangladesh. They do not even have to be registered with any authority and thus do not have to abide by any restrictions or regulations. And whatever little regulations there are with respect to reporting election expenses are ignored by the political parties. In fact, for all practical purposes, political parties in Bangladesh function more like syndicates, willing to do or undo anything to win elections. The unholy competition that has been going on between the two major political camps to bring Ershad into their fold, amply demonstrates that, like in love and war, everything is fair game in Bangladesh's election-centered politics.

Democracy in Bangladesh has indeed become mostly election-centred. It has become a one-day election day affair. However, election alone is not democracy; election is only a democratic process compared to autocratic means. Democracy further requires practicing democratic principles and vigorously functioning democratic institutions. Furthermore, as our experiences clearly show, election-only democracy essentially degenerates into elected autocracy.

Elected autocracy necessarily patronises and derives its authority, not from the consent of the people, but from criminal elements owning muscle power and black money. Thus, our political arena has now turned into a safe heaven for criminal elements, engaged in almost uncontrolled looting and pillaging. Through elections we have essentially "empowered" our elected representatives, with some notable exceptions, to steal and plunder with impunity, completely violating

the public trust. It is no wonder than that the political bosses in our country are bent upon establishing dynastic rules by hook and by crook in order to perpetuate such illegitimate benefits. This obviously poses a serious threat to our burgeoning democracy.

In fact, democracy in Bangladesh is now ailing, even failing, and there is no sign of its rejuvenation in the near future. Democracy is, as defined by Abraham Lincoln in his celebrated Gettysburg address, "government of the people, by the people, for the people." Unfortunately, in Bangladesh, democracy has essentially turned into a government of the looters, by the looters, and for the looters. This type of democracy, allowing unabated pillage, cannot and will not survive and be sustained.

The recent outburst of extremism throughout the country may be a reflection of such an unsustainable state.

The extremists appear to have come to realise the shakiness of our present democratic edifice, characterised by the entrenched criminalisation of politics and the resulting naked deprivation and exploitation of the common people, their abject poverty, and the lack of good governance. With such a realisation, they seem to have defined their course of action that is, to undo the democratic process, which appears to have become, to paraphrase George Bernard Shaw, "the last refuge of cheap misgovernment," with violent means using religious slogans. Thus, unless the democratic exercise can be made meaningful and its failures can be effectively arrested, I am afraid, we face the risk of turning Bangladesh into a truly theocratic state. While this is a long-term threat, the extremists may also be an immediate menace to holding peaceful elections in coming January.

It is clear that an enabling environment does not exist for holding free, fair, impartial and peaceful elections at this time. Thus, we need significant systemic and institutional reforms for changing the objective conditions before holding elections. We are concerned that if we force another round of elections in 2007 without appropriate reforms and negotiated agreements among major political parties, we take the risk of making them unacceptable, pushing Bangladesh to a path of serious political instability. This will only create a perfect breeding ground for the extremists.

We need to reform the electoral process to include, among other things, negative voting, the recall system, preventing voting for lamp-posts, and other measures to keep criminals and plunderers away from the political arena. We must institute measures to reduce electoral expenses and expeditious adjudication of electoral disputes. We must also ensure the neutrality of the caretaker government. Most of all, we need to strengthen the Election

Commission by making it independent of the Prime Minister's Secretariat and appointing in it self-respecting and neutral individuals. There must also be full and complete disclosures of the antecedents of candidates, including their financial records. However, we are afraid that these changes without significant reform of the political parties will not take us very far. Fair elections are not possible unless political parties and their nominated candidates behave and practice democratic norms.

However, even fair elections are not enough. Elections must also be meaningful in that they bring about significant changes in the quality of political leadership. Clearly, we need leadership which is honest, competent and dedicated to people's welfare rather than to naked self-interest. Such leadership will not be forthcoming on its own unless there is reform of the political parties and their registration is made compulsory. Requirements for registration must be the practice of democracy within the party hierarchy, their financial transparency and the reform of their nomination process to prevent people from buying political power with money. Only with such political party reforms, along with other changes, may we expect reasonably free and fair elections, which may bring a positive and meaningful outcome for the common people of Bangladesh.

I began this article by referring to two American high officials. Let me conclude it by quoting a famous American president, Ronald Reagan. He once said: "Politics is supposed to be the second oldest profession. But I have come to realize that it bears a close resemblance with the first." This is probably more true in the today's Bangladesh which is witnessing an election frenzy. Instead of being blown away by the frenzy, the thoughtful citizens and friends of Bangladesh must now pointedly ask themselves: what would be the long-term benefits or harms, if any, of holding yet another election to the people of Bangladesh without changing the rules of the game through significant systemic and institutional reforms? Will it hurt or help our democratic move forward? While raising these questions, we must do everything possible to ensure that elections are held and held on time.

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Running to standstill

The country should very seriously consider raising long-term funds from the global capital market to cover any impending fall in reserves and give the economy considerable room to maneuver. Tapping international capital markets may allow us movement to maneuver storms, which inevitably will come, as we have seen in energy prices in 2005. And if it is done with the leadership of the multi-lateral partners, like the ADB or IMF, it will also serve as a strong signal to the global economy of the ability of Bangladesh as an economy where future USD returns are safe and promising.

MIR MAHFUZ RAHMAN

SINCE mid 1994 to date, the world economy has been feeling the drastic effect of the demand side shock of commodity price volatility mainly due to the increase in crude oil prices from approximately \$28 per barrel in mid-2004 up to \$78 per barrel and down to \$70 in August 2006.

The rise in price of such a major import commodity for all oil importing nations has obviously had a severe impact on their balance of payments, especially in their ability to manage their current account. The trade balance of all major oil importing countries, whether developed, middle-income, or LDC, have resulted in massive deficits. The trade deficits of these countries have resulted in depreciating currencies, rising inflation, rising nominal interest rates and a risk to stable economic growth, which may result in a slowdown in the national savings and investment rates.

The change in these indicators also sends negative signals to global trading partners and multinational investors. Most importantly, it becomes a major impediment to a medium-term growth strategy set about in middle-income and LDC countries by their respective finance ministries, central bankers, and multi-lateral institutional partners.

Recent developments in Bangladesh have definitely made this country better suited to manage this supply shock. Our country has managed 6.7% growth in GDP for FY 2006, a rise from 6.0% for FY 2005, mainly due to its ability to maintain aggregate demand. There was strong growth in manufacturing along with a galloping service sector. Of course, a good agriculture output remains a cornerstone of demand.

The switch to a floating exchange rate has been a solid success in managing short-term macro-economic imbalances. The effect of the oil price on the balance of payments has been dealt with by the depreciation in the value of the taka, which has partly resulted in export growth and increase in remittances. As a result, balance of payments has actually been slightly positive, with an increase in the overall foreign reserves. However, the impact of the oil price increase is felt directly through an increase in the price index, which was recently revealed to be over 7%. This is the highest in the past decade.

In an effort to combat rising trade deficit, the government has

allowed the exchange rate to depreciate about 10% to increase the price elasticity of the consumer to oil and oil-related products. To combat the resulting rising inflation, the nominal interest rate has been increased by over 1%. The twin effects of rising inflation and interest rates will reduce aggregate demand in the country. While that is required to maintain balance of payment equilibrium, this may lead to slower economic growth.

Moreover, a downturn in exports, especially knitwear, or a fall in remittances, will greatly affect our long-term balance of payments stability.

It is stated that the Bangladesh economy needs to grow consistently at 8+% per year for over 20 years to make any significant headway in poverty reduction. If the oil price increase remains, as is predicted for the medium-term, the ability to reduce poverty through continued strong economic growth may be hampered. As a result, as long as the oil price increase remains, the balance of payments of Bangladesh will continuously remain a factor to cause volatility in the key indicators mentioned earlier.

This brings us to the point of the cause of the oil price increase. As this rise is not solely a political event, it is difficult to forecast events whereby the price of oil shall immediately reverse its course. It is forecasted that the international crude oil price shall be \$60-70 till 2008.

The main issue here is that the balance of payments crisis may linger for several more years, before which the world finds alternatives to oil based energy or more expensive energy sources come on line. The rising and continued trade deficit may not always be covered by rising remittances or exports or foreign aid to bring the current account into balance in the near future. The reserves cannot be expected to grow aggregately, even if proportionately at the pace of demand for oil imports, if there has to be purchases of taka to keep it from further depreciating.

The country should very seriously consider raising long-term funds from the global capital market to cover any impending fall in reserves and give the economy considerable room to maneuver. This idea is not that far-fetched as it may seem. Just recently, a country of similar size, income and economy with a population of 82 million, with very similar risk weight, raised \$750 million from the international capital market. That country had huge foreign capital rush into it in

1986 and then the roof collapsed and investors ran. However, it has been able to recover global investor confidence, which greatly adds to domestic investor confidence.

The country is Vietnam, which completed its first dollar-denominated bond offering, selling \$750 million in securities that mature in 10 years. The offer was 50 percent larger than planned after investors placed orders for \$4.6 billion. Vietnam has one of the lowest levels of external debt among countries in its credit-rating category by Standard and Poor's with its long-term debt rating being BB- to positive.

Our approach to globalization also is worth re-considering. Our nation of 140 million should want the benefits that come from trade and the increased movement of capital and people -- not just a luxury car showroom or franchised fast food outlet for the wealthy. Recent years have shown that globalization is no panacea for developing economies. Since the 1980s, Asian countries have opened to the world rapidly and enthusiastically. But while they saw Western-style fast-food outlets and shopping malls multiply, stable growth and increased foreign investment proved to be elusive in many Asian countries.

If we wish that the boom-and-bust cycle that so many have experienced in the last 20 years to be kept at arms length, we need to prepare ourselves with the right tools to maneuver. Remittances may grow or slow, foreign investment may grow or slow, as may global demand for our products. All of these affect balance of payments.

In the same vein, tapping international capital markets may allow us movement to maneuver storms, which inevitably will come, as we have seen in energy prices in 2005. And if it is done with the leadership of the multi-lateral partners, like the ADB or IMF, it will also serve as a strong signal to the global economy of the ability of Bangladesh as an economy where future USD returns are safe and promising.

The value of the taka will be protected. Even more important, the ghosts of inflation and high exchange rates shall be kept away from the bulk of our people who are on limited income where their real income increasingly decreases. Their aggregate demand, which is the strength of our economy, and our national savings rate, which is the key to investment, will be protected from forever running to standstill.

Killings at the border: Appeasing India and our sovereignty

It seems the BNP government of Prime Minister Khaleda Zia, with a record and mindset of appeasing India in every possible way, even jeopardizing national interests to come to power, has neither the aptitude nor the courage to protect its citizens from BSF fire. How such a government can be trusted with the sovereignty of the country? What we need is a government which can stand tall and negotiate with India as friendly equals to stop gunning down of Bangladeshi citizens by the BSF and protect the independence and sovereignty of the country.

GULAM RAHMAN

INDIAN Border Security Force (BSF) gunned down two Bangladesh citizens Md. Azmal Hossain and Rais Uddin of Ramshankar Upazila of Dinajpur district while they were working on croplands near border pillars, reported The Daily Star in its August 27 issue.

That day, evening TV bulletins reported the killing of another Bangladeshi citizen at Benapole by the BSF. Every month, such news items are published several times. Apparently the members of the BSF have become trigger-happy and are using Bangladeshi citizens for target practice. Only God knows how many Bangladeshi lost lives at their hands during the last few years.

We are a sovereign and inde-

pendent nation. We earned our independence through a 9-month long glorious liberation war in which three million people sacrificed their lives. The Indians helped us. They provided food and shelter to 10 million refugees and sanctuary to our *Mukti Bahini*. Further, about 1,500 men and officers of the Indian armed forces lost their lives and more than 4,000 were wounded in the Bangladesh war. Thus, the relations between the two countries were cemented with blood. However, by that, the BSF did not earn a right to kill Bangladeshi citizens indiscriminately.

Behind a facade of anti-Indian posture, the BNP has been pursuing a policy of toeing the Indian line since its inception. Its founder, President Ziaur Rahman, an ambitious soldier, who fought in the Liberation War from Indian safe-

haven, as well as Prime Minister Khaleda Zia have embarked on finely tuned clever maneuvers to appease India time and again, while accusing opponents day in and day out as Indian lackeys and propagating the fear that they would act subserviently and make Bangladesh an Indian colony.

However, is there an instance in which the opposition AL has compromised Bangladesh interests by succumbing to Indian persuasion or pressure? The PM never cited one. Neither is there any instance of AL promoting of Indian interests at the peril of Bangladesh.

The Saarc Preferential Trading Arrangement (Sapta) concluded during the previous tenure of Prime Minister Khaleda Zia as well as the trade agreement Bangladesh has signed during her last visit to India also contain provision for allowing transit to India through Bangladeshi territory. Trade liberalization is desirable, but not at the cost of the nation's industries. However, during 1991-96 tenure of BNP government "import liberalization" made many small and medium enterprises in Bangladesh sick by

opening its market for Indian goods without any reciprocal benefit. Import from India increased from \$181 million in 1990-91 to \$ 110 million in 1995-96.

The average yearly import during 5-year tenure of AL was \$1022 million, which, however, rose to \$2030 million in 2004-05. The BNP government made Bangladesh attractive market for Indian exporters. The trade imbalance between the two countries increased to about a billion dollar mark in favour of India in the last year of its previous tenure. While the AL government contained the imbalance, it started to grow again after the BNP returned to power. The trade imbalance reached almost two billion dollar mark in the year 2004-05.

Bangladesh was once the world's largest producer and exporter of jute and jute goods. However, the industry suffered setbacks due to mismanagement during 1970s and 80s. The BNP borrowed money from the World Bank not for their rehabilitation and modernization but to close them down during its previous tenure. This time they closed Adamjee, the largest mill in the world, along with a few more in Khulna and other

places and thus facilitated increase in jute and jute goods production in India. What a unilateral patriotic move to benefit and appease the big neighbour. The former Prime Minister Sheikh Hasina declared that Bangladesh would not export gas to India unless the country has a proven reserve to meet demands for the next 50 years. However, Mr. Mosharaf Hossain, State Minister for Energy, soon after BNP's coming to power, embarked on a scheme to export gas, which, however, did not materialize in the face of public opposition. Now it is said that country's gas reserve would not last beyond 2020, but again a scheme was hatched for indirect export of gas to India by providing guaranteed supply to Tata, in preference to domestic consumers and at a lower price, for production of steel from Indian ore for export to that country again.

After the surrender of Pakistan occupation forces on December 16, 1971 to the commander of Indian-Bangladesh Forces Lieutenant-General Jagjit Singh Aurora at Dhaka Race Course, the Indian government sent a host of civilian advisors to run Bangladesh administration. Soon after his return to Dhaka from captivity in Pakistan on

January 10, 1972, Bangabandhu Sheikh Mujibur Rahman asked them to pack up and go back home and then he requested Prime Minister Indira Gandhi to withdraw the Indian army from our soil. The Indian government complied without raising an eye-brow. Bangabandhu exercised the sovereign authority of Bangladesh government without any hesitation.

It is the solemn responsibility of any government worth its name to protect the lives of its citizens from attacks of outside forces. Prime Minister Khaleda Zia reminds us often that for upholding country's sovereignty there is no alternative to her government. However, her government is failing in protecting Bangladeshi citizens from the BSF bullets. We have a world-class standing army and a commendable border security force, but they are of no help to unfortunate victims of BSF fire in the absence of the government's courage to confront India. Neither is the government able to protect them with diplomatic maneuvers.

Everytime a Bangladeshi citizen is killed, the government fulfills its responsibility by sending a protest letter from BDR sector commander to BSF. This is not enough. The

citizens deserve much more. The media reports on the just concluded India-Bangladesh Home Secretary level talks in Dhaka give no indication that the Bangladesh side has raised this issue at all. What pains and dismays me most is the acquiescence of the Bangladesh government of these heinous acts of the BSF.

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