

Election analysis: The manifestos

Over the medium term, the visions announced by the parties fail to recognise important trade offs between industrialisation and environment for example that will have to be met regardless of who wins the election. Given the global economic crisis, a number of costly promises may well be shelved.

J. RAHMAN

ALK is cheap, especially during an election season. Over the past days, both major parties have announced their election manifestos. Whether titled A Charter for Change or Save People, Save Country, both documents make lofty promises on every sector from sports to telecommunication. This piece will discuss some of the promises by the Awami League and the Bangladesh Nationalist Party on the economy, governance, corruption, and energy.

Overall, AL provides specific timetables against which its performance can be judged in most sectors. While BNP gives little detail, its promise to strengthen the Jatiya Sangsad, if implemented, will have far reaching consequences for our democracy. Finally, neither side is forthcoming about how to fund their promises.

The economy

Unsurprisingly, both parties begin their manifestos with promises to control inflation and bring prices of the essentials within the purchasing power of the people. However, there are important differences in their approaches.

AL promises to eliminate hoarding and profiteering syndicates and stop extortion by creating an institution to control commodity prices and protect the consumer. A consumer protection agency is long overdue, but high prices are due to much more than anti-competitive behaviour by sellers.

BNP is silent on syndicates, and promises to reduce prices by increasing food production, improving the supply chain by better utilising storage facilities, creating a jobs program to increase the purchasing power of the poor, and directly subsidising the prices of necessities.

In the long run, there is no alternative to enhancing the supply side in the markets for food and other essentials, but it is not clear where the revenue needed for the work program or the subsidies will come from.

In addition to inflation, AL promises to create a task force to devise steps to save Bangladesh from the global financial crisis. BNP promises a high-powered advisory committee. While AL puts maintaining economic stability in the face of global financial crisis right at the top of its priorities, it is striking that BNP mentions the worst economic crisis in generations only in passing half way through its man-

ifesto.

Turning to the longer-term task of poverty alleviation and economic development, AL promises to reduce the number of poor people from current 65 million to 45 million by 2013 through a combination of social welfare measures and rural employment generation policies.

BNP doesn't mention anything specific, but it also promises poverty reduction through economic growth. To facilitate growth, it lists a plethora of steps aimed at industrialisation. However, without any specific commitment, it will be difficult to judge its performance should it be elected.

Governance, political reform, combating militancy

Both parties promise a range of political reforms to improve governance and counter militancy. BNP puts improving the law and order situation and suppressing terrorism including militancy in the name of religion as its second highest priority.

Turning to governance, it promises to make the posts of speaker and deputy speaker of the *Jatiya Sangsad* non-partisan, and strengthen the role of the legislature through bi-partisan select committees. It specifically promises activating these committees by the second session of the assembly. These promises, if implemented, will assist in avoiding a repetition of the recent past.

While promising no specific steps about improving the effectiveness of the legislature, AL also promises to improve politics and governance, and curb militancy and terrorism. In addition, AL promises to end extra judicial killing.

Finally, AL makes an explicit promise to arrange the trial of war criminals. Unsurprisingly, BNP is silent on this issue.

Corruption

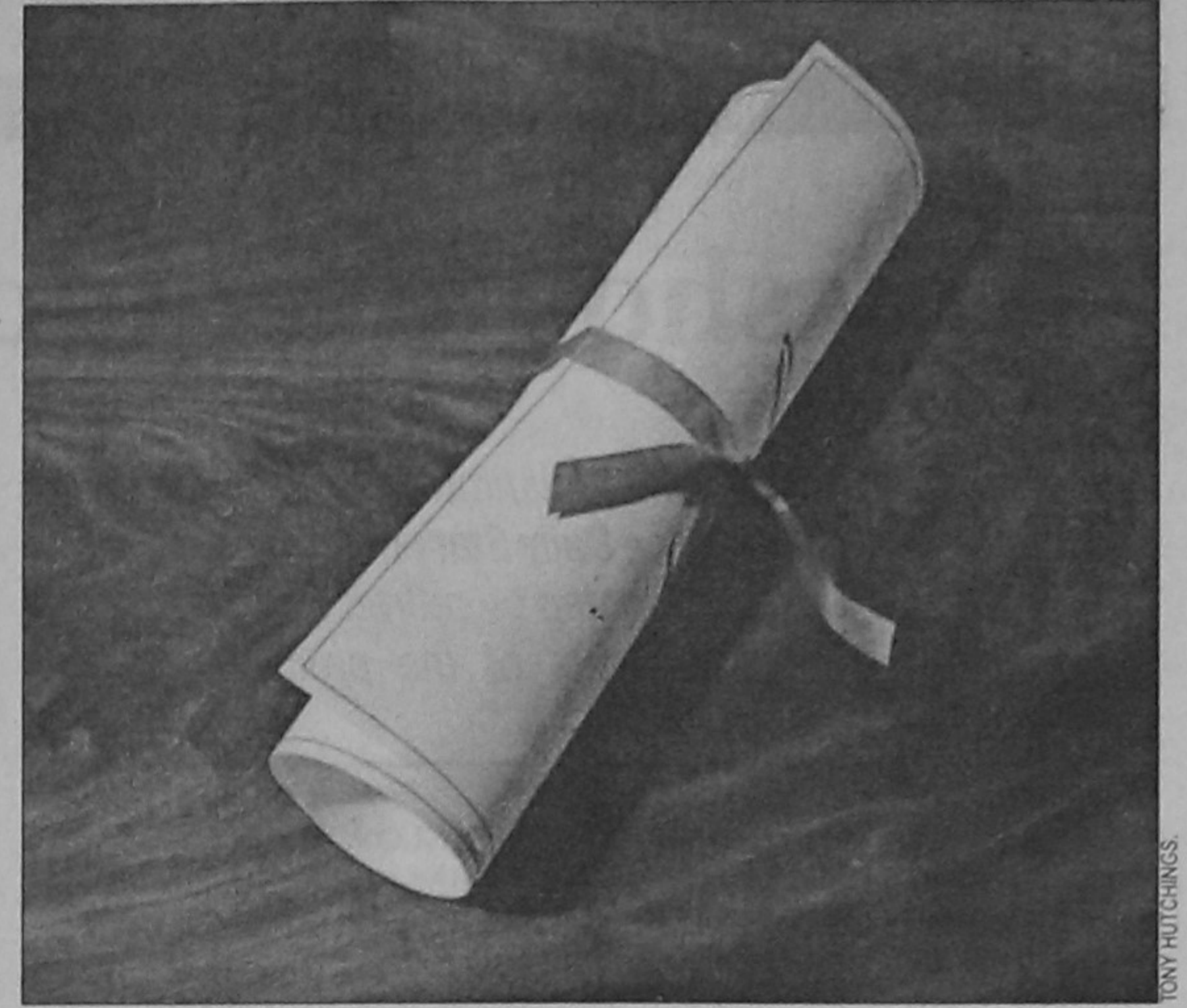
The fight against corruption ranks the second in AL's priority, and third in BNP's. Both sides promise disclosure of wealth statement: AL wants it annually from "powerful people." BNP wants it from all elected representatives within 30 days of their election. Both sides also talk about increased transparency and stiff penalties for corruption.

In addition, AL explicitly mentions computerisation as a weapon in the fight against corruption. In the medium to long term, computerisation can reduce corruption through more transparency in administration and service delivery, and it is encouraging to see AL recognise this.

Power and energy

Energy ranks third in AL's priority, and fifth in BNP's. AL makes a specific promise of 5,000 megawatt power production by 2011, rising to 7,000 megawatt by 2013. BNP promises action on two 450 megawatt power plants within 100 days of taking office if elected. Both parties promise to build smaller scale plants, and AL mentions importing electricity from neighbouring countries.

In addition, BNP promises an expert committee within 100 days to formulate a mineral resources policy, while AL promises a national coal policy. However, neither side has made any reference whatsoever to their stance on the appropriate use of the nation's resources. Given the fact that the debate over how best to utilise our natural resources goes



Promises on paper only?

back to the 1990s if not earlier, the major parties' silence is extraordinary indeed.

Concluding comments

While making promises before elections, politicians often lose track of the numbers. Neither side has provided any detailed costing of how their policies. However, even in the first 100 days or six months in office, to meet their promises the incoming government will have to adjust budget and other commitments made by the current government.

Over the medium term, the visions

announced by the parties fail to recognise important trade offs between industrialisation and environment for example that will have to be met regardless of who wins the election. Given the global economic crisis, a number of costly promises may well be shelved. It is all the more important that maximum pressure is brought to the parties to keep promises like stronger parliamentary committees or war crimes trial that do not require much financing.

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Towards a new industrial policy

The need to redefine the role of government and prioritisation of its activities is based on major economic and social adjustment challenges created by deep technological and structural changes taking place in the world economy. These include a techno-economic paradigm shift with the rise of the East, globalisation and regionalisation, global value chains, breakthrough of new information and communication technologies, demographic transformations, and the recent failure of unbridled capitalism that led to a global financial crisis.

SAMIR ASAF

BAKGLADESH has enjoyed high single-digit industrial growth in manufacturing and service sectors during the past decade, with the private sector contributing increasingly to the manufacturing value added, relative to the public sector. The manufacturing and service sectors contributed approx. 26% and 52% respectively to GDP in fiscal 2007-08.

Structural adjustment reforms such as privatisation, outward-orientation, and deregulation have enabled an improved business climate. The fundamental steps of the economic transformation have been taken.

We have come a long way from the nationalisation of private industry to a thriving private sector-led industrialisation process. Now it's time to pass to a

substantially larger and more sensitive set of economic policy instruments.

It will be first a case of completing and ensuring framework conditions which form the whole entrepreneurial environment, i.e. improvement of the legislative framework for competition, modernisation of industrial and commercial laws and their harmonisation, and the effective operation of public administration under a whole-of-government approach.

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value chains, breakthrough of new information and communication technologies, demographic transformations, and the recent failure of unbridled capitalism that led to a global financial crisis.

East Asia's newly industrialising countries relied on the same policy instruments (import substitution, selective protection, domestic content requirements, and subsidised credit) used to kick-start industrialisation in the 1950s and 1960s.

Bangladesh aspires to become an industrialised nation in the coming decades. However, there are veritable constraints to sustained and accelerated industrial development that are limiting national productivity and competitiveness.

Bangladesh needs to move from an investment-driven growth strategy for industrial development to efficiency-driven, where the government focuses on market failures and binding constraints.

Doing business in Bangladesh continues to frustrate entrepreneurs, leading to lack of innovation and risk-taking, limited industrial diversification, weak technology adoption and diffusion, and lack of dynamism in industry -- with the notable exception of the garments and knitwear sectors.

The Ministry of Industries' (MOI) contribution to growth of national industry has been unsatisfactory. The Public Sector Industries (PSIs) continue to drain fiscal resources of the govern-

ment, the existing industrial policy and its administration has been weak, and industrial productivity and innovation unsatisfactory. Industrial promotion and facilitation services of MOI are not noticeable, its management of BSTI unsatisfactory, its handling of intellectual property rights and development of the SME sector (including management of the BSCIC industrial enclaves) has been weak, and its rural industrialisation efforts have failed to achieve their intended benefits.

Over the last two decades, the role of the MOI has been marginalised. Its budgetary allocation was only Tk.407 crore for development and Tk.157 crore for non-development expenditure in FY 2008-09. MOI's portfolio used to include the textiles and jute sector corporations, but creation of the Ministry of Textiles and Jute ended that role.

In 1989, creation of the Board of Investment (BOI) ceded the role of investment promotion. With the privatisation process eminent for the remaining 36 PSIs currently under MOI (11 factories under BCIC, 9 factories under BSEC, and 16 factories under BSIC), MOI now stands at a cross-roads regarding its role in the future.

According to its official allocation of business, MOI's role includes management of public sector industries; administration of industrial policy; promotion of industrial productivity etc.

Consistent with developing country governance trends and best practices,

MOI's allocation of business needs to be expanded to include facilitating privatisation of PSIs, development of industrial clusters, industrial innovation, technology adoption and diffusion, regulatory simplification, business environment and many more.

Consideration should be given to the possibility of merging the Ministry of Commerce and Ministry of Industries into an integrated Ministry of Trade and Industry (MITI) similar to India, Philippines, Malaysia, Singapore, Indonesia, Japan, Taiwan, and France.

The existing Industrial Policy (2005) was only partially implemented, and now needs to be amended, since it is manufacturing oriented, inadequately addresses service sector and industrial cluster development, and fails to mention competition policy and emerging sectors like shipbuilding, call-centers, and electronics.

The government has already altered its definition of small, medium, and large industry. Its definition of thrust sectors as already successful sub-sectors is faulty, since nascent sub-sectors are excluded.

Its commitment towards national productivity policy (clause 10.5), total quality management policy (clause 10.10), and a National Council for Industrial Development (NCID) (clause 19.7) has not been fulfilled.

The regulation that industrial enterprises must reinvest at least 40% of tax-free income (clause 7.2) is unreasonable

and needs to be abolished. The stipulation that expatriates working in Bangladesh are entitled to repatriate only 50% of their wage (clause 14.5) negates the very premise of promotion of foreign direct investment in the country.

MOI has very little information about the impacts of industrial policy on economic performance, welfare and unemployment. Also, the tools of policy evaluation are poorly developed. MOI needs to formulate and effectively implement a New Industrial Policy (NIP) engaging relevant government ministries and departments including the Planning Commission, ERD, and, through the minister of MOI, the Parliamentary Standing Committee on Ministry of Industries, so that ownership of the NIP exists at all levels.

MOI should engage the private sector business chambers, UNIDO and World Bank experts in ongoing dialogue and advice.

MOI should play a proactive role to foster industrial diversification since industry's catalytic role in the development process is changing in response to the new global pattern of rapid and accelerating technological change, sweeping trade liberalisation, far reaching deregulation of markets -- including the privatisation and commercialisation of PSIs -- and the globalisation of international business.

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Mumbai carnage haunts Pakistan

The spectre of war is looming over Indo-Pak relationship. Both countries have nuclear weapons and missiles to launch the warheads. India may carry out a surgical attack on Muzaffarabad, the capital of Pakistan held Kashmir and the den of *Laskar-e-Tayyiba* and *Jamatut Dawat*.

SYED MAQSUD JAMIL

IN Pakistani foreign Minister Shah Mahmood Qureshi's words, Pakistan is on the defensive. All fingers point at Pakistan. India is mounting pressure about Pakistan's complicity in the Mumbai terror attack. The issue has been raised at the UN Security Council.

India's state minister for foreign affairs, E. Ahmed, wants that resolution to ask Pakistan to ban *Jamatut Dawat*. India has released photographs and details of the nine slain terrorists, who are from different parts of Pakistan, leaving no doubt about the origin of the attack.

After 9/11, Pakistan is once again in dire straits. It appears that America has joined India in censuring Pakistan. A report says that Pakistan is a hot spot of weapons of mass destruction and biological weapons. It says that Pakistan's nuclear weapons are in unsafe hands,

and calls Pakistan a rogue state.

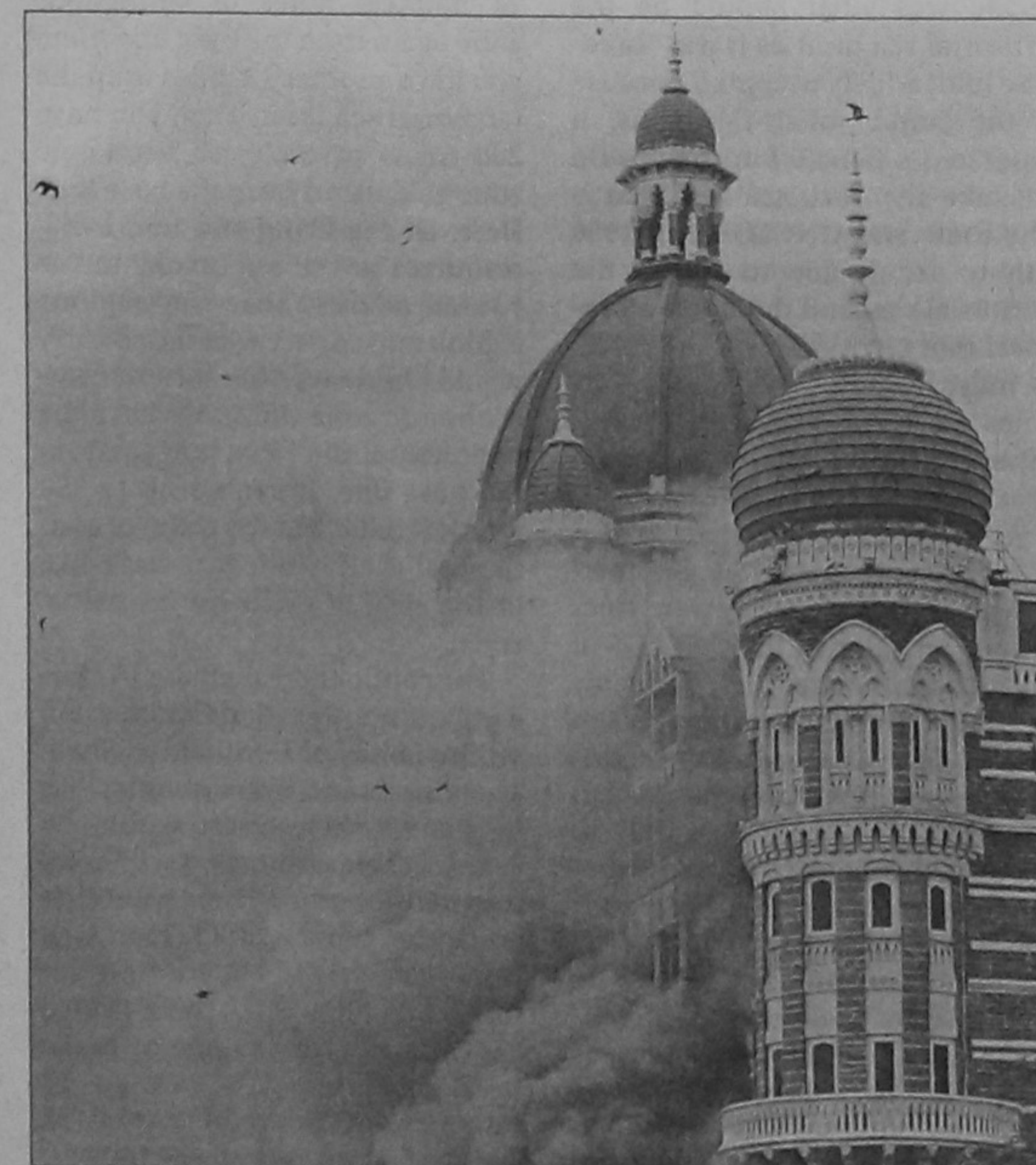
Rightist elements and Indian media have launched a jingoistic campaign against Pakistan, calling for a punitive strike. L.K. Advani has lent full support to the Congress government for launching an attack against Pakistan.

India has carte blanche to decide its retaliatory action against Pakistan, and is calibrating its pressure against Pakistan. By all understanding Pakistan is in the dock.

The spectre of war is looming over Indo-Pak relationship. Both countries have nuclear weapons and missiles to launch the warheads. India may carry out a surgical attack on Muzaffarabad, the capital of Pakistan held Kashmir and the den of *Laskar-e-Tayyiba* and *Jamatut Dawat*.

This is the least the ruling coalition in India may want to do in projecting its patriotic credentials of Pak-bashing during the poll season.

Adversity in a conventional war may



The cloud of terrorism spreads far.

force either other country to use nuclear weapons. A war, therefore, has dire consequences and will have a sobering effect on both the players.

The new leadership of Pakistan cannot sensibly want to get into a war. Zardari is known to have said that he did not consider India a threat to Pakistan. Zakiur Rahman Naqvi of *Laskar-e-Tayyiba* has been arrested from Muzaffarabad. *Jamatut Dawat* has been banned and its leader Hafiz Sayeed has been held. Maulana Masood Azhar of *Jaish-e-Mohammadi* is under house arrest.

Madrasas are the breeding ground of Islamic militants in Pakistan. A *madrasa* in Karachi went to the extent of beheading US reporter Daniel Pearle and making a video of it. In the video, Khalid Sheikh Mohammed, alleged No. 3 of Al-Qaida, boasted: "I have decapitated with my own hands the head of American Jewish journalist Daniel Pearl in the city of Karachi." Swat is firmly in control of the Maulana Fazlullah the leader Islamic extremist organization *Tehreek-e-Nafaz-e-Shariat-e-Mohammadi*.

A firebrand cleric, Maulana Fazlullah regularly issues fatwas to control life in Swat. He runs a FM band radio and is popularly known as "FM Maulana" or "Radio Mullah." These Islamic militant organisations are the private actors in

the politics of Pakistan. The Inter Services Intelligence (ISI) of Pakistan finds them highly useful human fodder in destabilising the other side. The task of unsaddling these private actors may be a tall order for the rulers of Pakistan.

How culpable is Pakistan and how delicate is its situation? There is no doubt that it is a desperate situation for Pakistan. Pakistan is blamed for every terrorist attack in India, though it is also a victim. In the last one-year there have been around hundred terrorist attacks in Pakistan. The most devastating attack was the September 20 suicide bombing of Islamabad's Marriott.

The Islamic militants have taken Pakistan to the medieval age. Their continued ascendancy will ultimately challenge the state power of Pakistan. This is a situation which is not in the interest of the US and western powers.

After Iraq and Afghanistan, Pakistan is increasingly becoming the focus of US strategic planning. The US will welcome the cooperation of India. As things are, Pakistan is descending to the status of a pariah state. Now it is not merely a question of tiding over the Mumbai crisis, but also of not hobnobbing with the Islamic militants. It remains to be seen whether the Pakistan government has the will and pragmatism to do it.

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