

Bangladesh needs a new economic order

In the new economic order, the private sector would be the engine of growth for the economy. This induction puts lot of responsibilities on the private sector's shoulder. They would have to be self-motivated, creative, and visionary. No longer can they continue to demand the benefits of open market and the protection from the government at the same time.

MAMUN RASHID

BANGLADESH'S development potential has drawn positive attention across the world. This positive attention has been based on its young and active demographic profile and overall economic performance in the past.

While we can take pride in our achievements, we cannot avoid the very basic fact that we have been underachievers in terms of our true potential. If we re-examine the history of our economic management, we shall find that we have been consolidating our effort toward wealth creation only cautiously.

Sometimes the cautiousness has cost us monumental opportunities. Our effort towards systemic wealth creation by gradually introducing market forces in overall economic management has been halted by periodic mistakes. Each mistake not only created barrier for further wealth creation, but also persuaded us to take backward steps where we had to unnecessarily reassess our path towards advancement and development.

The growing focus on Bangladesh has presented an opportunity which we cannot afford to miss. To actualise the potential, we need to establish new economic and development management models -- a new economic order. This new economic order has to be endorsed by all the major players -- the govern-

ment, the regulators, the private sector, and every other stakeholder.

The major theme of the new economic order is that we need to clearly know and understand how we deal with the apparent conflict of wealth creation and distribution process.

We have adopted competitive market-based economic model for our economic development and we should not look backward. While it cannot be denied that several market failures have happened, with disastrous consequences, we need to clearly accept the fact that closing the door for wealth creation in response to market failure only worsens the distribution process further. If wealth is not created at all, nothing can be distributed.

Markets can often get it wrong, but even after that, markets are the best equaliser, which would ensure growth and development for all of us. That is why it is quite inappropriate to revisit the market economic principle after every mistake we have made or make.

Every time we have found that even after all the mishap of a dysfunctional market behaviour, there is no better model to ensure growth and development for everybody. So we need to ensure that the wealth creation process is not hampered at any expense. At the same time we need to understand that sustainability of wealth creation is strongly dependent upon effective distribution process.



New rules of the game are needed.

If we examine the cases of market failure, we shall find that the key thing was the absence of good governance, which resulted in exploitation by the few powerful by restricting their access to most economic opportunities.

All of us need to understand that good governance is not only a moral virtue, but actual real capital for growth. Absence of good governance may provide short-term opportunity for gains for few of us, but will deprive all of us from sustainable economic growth and development even in the future.

In the new economic order, the private sector would be the engine of growth for the economy. This induction puts lot of responsibilities on the private sector's shoulder. They would have to be self-motivated, creative, and visionary. No longer can they continue to demand the benefits of open market and the protection from the government at the same time.

As they reap the benefit of free market, they need to develop capacity and vision to be competitive with anyone in the world. The government may help them strategically and with logistics, but the vision for future growth has to be developed by the private sector itself.

The private sector must realise that if it expects the government to spend money on developing infrastructure and other logistics support, it will need funds. Unless the private sector improves its overall internal governance level and pay more in taxes, it would be impossible for the government to fund these projects.

In the new economic order, three major issues need to be clearly addressed: subsidies, privatisation, and state-owned enterprises. They are often linked and have to be dealt with simultaneously. Resources would have to be deployed according to the best available return and therefore there is no scope for protecting the inefficient at the expense of the more

competent.

We may initiate a transition process which would move the inefficient sector to integrate with the more productive sector, but mere protection of the inefficient with taxpayer money would be completely unacceptable.

Subsidy is only justifiable when the qualitative benefit of protecting the poor for the purpose of equity of the distribution process outweighs the economic loss. Even in those cases, we have to make sure the subsidy is properly targeted and is not significantly distorting the market discovery process.

The government is not expected to perform any commercial activities. Even if it does, the rationale has to be strong enough where the greater social benefit of the government's commercial role significantly outweighs the economic cost.

Based on this broad principle, the privatisation process needs to be strongly driven forward. The performance of state owned enterprises will have to be ruthlessly monitored. The accountability for the usage of taxpayer money needs to be strongly established.

Regulators and civil bureaucracy would be required to be more responsive to the private sector and should have the capability of driving the changes. The era of licenses and approvals ought to be limited to the bare essential. When the regulators want to control something, the rationale for control should be logical, transparent, and effective. Unless they are trained and developed properly, they would not understand the global economic trends and issues.

The time is right for Bangladesh to fully enter the 21st century and for the policy-makers to give serious consideration to a new, more efficient, and more competitive economic order.

Mamun Rashid is a banker and economic analyst. He can be reached for comment at mamun1960@gmail.com.

Beware of the original sin

First of all, AL must keep in control the siblings and children and other relatives of the 260 plus MPs that will now be belonging to the party in power. Sheikh Hasina herself has to make sure not to overlook any atrocity committed by any parliamentarian's relatives. It is widespread terrorism and hooliganism that cost AL the election of 2001 so direly.

RUBAYAT KHAN

TWO days into a grand win for the Grand Alliance, Sheikh Hasina has made moves that have consolidated their sweeping victory. First was her better-than-ever performance at the first press conference, where she unequivocally made a promise even beyond her own election manifesto, that of offering the deputy speaker and some standing committee chairperson posts to the opposition party. She promised to count the opposition not by its numbers

but by the importance of its role in any democratic system.

While these should be easy for any party leader to say after winning a five-sixths majority in parliament, we should welcome it as something unprecedented in the recent history of Bangladesh, one exclusively of crude power struggle and petty partisan bickering.

Second was her mention of the trial of war criminals in the press conference (albeit forced) and in today's meeting with the UN envoys (completely voluntary). This is likely to win her a lot of praise and confi-

dence from all quarters that were involved with the social mobilisation for this cause, including the educated and culturally active middle class and the youth.

Third was her earnest call to party activists and supporters to show restraint in proportion with the grandiosity of their victory. She asked them to show respect to the faith that had been heaped on them on December 29. There have still been scattered incidents reported from various places about AL cadres torturing and ousting BNP ones, but the degree has been fairly limited.

Also, given the fact that it is human instinct to avenge the injustice and oppression inflicted over one for a substantial period of time, it takes serious control over party members to stop this natural tendency to retaliate. It is unclear whether AL has ever enjoyed that degree of control. Nevertheless, her message, as well as the party leadership's goodwill, helped avoid this unfortunate but periodic phenomenon to a considerable extent.

If the first three days, even before being sworn into office, are any indication, AL has possibly learnt some lessons from the past. In stark contrast, BNP apparently has not, with its allegations of vote rigging even when all national/international media and observers vouched otherwise. All this is likely to increase the popularity of, and along with it expectations from, AL.

AL has a myriad of challenges at the national level as soon as it takes office, including price of essentials, corruption, etc., which are being talked about again and again. What I want to speak of has to do more with its inner evils.

First of all, AL must keep in control the siblings and children and other relatives of the 260 plus MPs that will now be belonging to the party in power. Sheikh Hasina herself has to make sure not to overlook any atrocity committed by any parliamentarian's relatives. It is widespread terrorism and hooliganism that cost AL the election of 2001 so direly. If

they don't learn from their mistake, they can rest assured of the same fate in 2013.

AL also has to make sure not to lose touch with reality. Having the paranoia that Hasina has regarding the past -- which leads her to claim sweepingly that her 5-year term starting in 1996 was a "golden age" -- is dangerous.

It means that when things start going wrong and criticisms start to flare, the Hasina government is prone to becoming defensive. In the past, AL has instituted Baksal as well as dreadful laws like Public Safety Act and Special Powers Act to curtail the freedom of media and citizens. It has to be careful not to tread even the sidewalk of that road this time.

It has to learn to take heat and keep the thermometer plugged in where it really matters -- into the masses. Awami League has to engage in discussion with non-partisan social activists, and listen to what the media (which has to remain free) says about their rule and misuse.

And finally, it has to learn to acknowl-

edge its mistakes, say sorry, and correct them at the first opportunity. And in order to do all this, Hasina has to surround herself not with sycophants who will not only say what she wants to hear, but rather with bold and honest politicians who would speak the truth however harsh it may be.

But at the end of it all, there is hope. AL has produced a manifesto which, with all its limitations, is the most attractive charter to be produced by any major political party in the past 17 years of democracy. Also, this time before the elections, we have had an unprecedented amount of discussion regarding electoral promises from the major parties.

All of this creates a never-before-found opportunity. We -- the civic and youth organisations -- have the option now of keeping these goals in focus constantly throughout the next five years, and keeping the government accountable to its mandate.

Rubayat Khan is a founder member of Jagoree, a non-partisan youth platform for political and policy analysis, activism, and advocacy.

Congratulations and not celebrations

Political scientists alert us about the revolution of rising expectations which often lead to massive disappointment. The cycle of hope, celebration, and frustration is familiar to the people of Bangladesh. Let us hope and not celebrate but contemplate.

HABIBUL HAQUE KHONDKER

ABRAHAM Lincoln, the famous American president well-known for abolition of slavery in the United States and a defender of democracy once said: "Election is the celebration of democracy."

In Bangladesh, the 9th general elections were peaceful and orderly. The mood of celebration was revealed in the over-crowded buses as voters left for their constituencies to cast their votes and the long voting queues in which they waited in cold morning.

The instruction of the Awami League leadership not to bring out celebratory processions was a sensible decision. Post-elections celebrations often turn ugly. Some people, especially the over-enthusiastic supporters, often forget the meaning of mandate. They often construe that the voters have given them the right to do anything for a certain period of time.

Of course, there are victims of repression by the thugs of the past administration, who cannot contain their frustrations. It is easy for me to be generous and humane from the ivory towers of a peaceful, orderly land, but people who were subjected to vicious oppression have a different take.

Yet, the law enforcing agencies did not allow the things to go out of hand, in

which the post-election press briefing of the Prime Minister-elect Sheikh Hasina was very useful.

Many commentators who wanted to see a change in the political landscape are happy with the outcome of the December 29 elections. A large number of people deserve congratulations: some for their active role in creating a congenial circumstance for holding the elections, others for participating in the elections and the rest for making it a huge success by creating favorable conditions.

In my list, the person who deserves the most credit is Sheikh Hasina. First, she was the author and the indefatigable champion of the idea of caretaker government for holding free and impartial elections for the transfer of power.

In the long run, Bangladesh must move beyond this arrangement, but until the political culture is matured, this innovation has been very useful.

It was her stubborn fight against the planned BNP-engineered elections of late 2006 and the mobilisation that led to a unified rock-like opposition of a truly grand alliance that saved Bangladesh from a national disgrace.

Second, Begum Khaleda Zia, who only reluctantly accepted the format of the caretaker government, also deserves credit, though she later blatantly tried to derogate it by trying to ensure a suppos-

edly compliant judge to head the caretaker government. However, she should be congratulated on one of the milestones in the unfolding of democratic process of Bangladesh, namely, freedom of media.

Bangladesh print and electronic media enjoyed, and one might add, were allowed to enjoy a great deal of freedom under the BNP administrations of 1990-1995 and 2001-2006 respectively. The Awami League administration (1996-2000) did not interrupt the process.

Here one has to take into account of the difference between the intended and unintended consequences of one's action. Late Robert Merton a famous sociologist wrote that one of the most important contributions of sociology to knowledge has been the idea of unintended consequences of one's action. The idea is best illustrated in the writing of German sociologist Max Weber who examined the role of the unintended consequence of Protestantism on the rise of capitalism.

While the freedom of print media in the early 1990s was a direct outcome of years of movement against the military rule under which the media suffered; in the first decade of the new millennium, freedom of electronic media was motivated by business interests.

However, the consequences have gone against the ruling party. The freedom print media enjoyed under the BNP administrations was sometimes regretted, though. I remember a conversation with a BNP leader in the 1990s; he complained that many of the newspapers in Bangladesh were biased.

In exasperation, I rattled out a list of newspapers: "Biased" was his fixed reply. The only time he used the phrase "neutral" was when I mentioned "Dainik

Dinkal". So at least some BNP leaders regretted the press freedom but nothing could be done.

The electronic media too began to enjoy, a greater degree of freedom under the recent BNP administration although some of the media houses had solid political links. After the changes of 1/11, the interim government tried to curb the electronic media but such restriction lasted not more than few hours. So the lesson is: some forces such as freedom of the press once unleashed whether intentionally or unintentionally, cannot be contained.

The armed forces played a great role not just in helping with the law and order situation but also with preparing a solid voter list with photo ID. The armed forces got valuable experience during their UN missions of running elections overseas (another example of unintended consequences).

The voters should be congratulated for participating in the elections in droves. The young voters deserve special congratulations. Many of them voted for change and hope.

Yet there are many who should be congratulated for calmly opposing and whenever possible exposing the misuse of the BNP rule. Some spoke out and wrote courageously others voted with their actions. The real heroes are those who act for the public interest out of a sense of duty to the nation and not to a political party.

The rare examples of such larger than live personalities come in the shape of Dr. Akbar Ali Khan, Lt. Gen (Rtd) Hasan Mashud Chowdhury, Mr. C.M. Shafi Sami and Ms. Sultana Kamal who left the caretaker government on December 12, 2006 to foil a to-be-



There will be time to celebrate later.

doctored election. Their departure undermined the credibility of a dishonest caretaker government ready to preside over a fake election in favor of the BNP-Jamaat alliance, a move finally foiled by the military.

Political scientists alert us about the revolution of rising expectations which

often lead to massive disappointment. The cycle of hope, celebration, and frustration is familiar to the people of Bangladesh. Let us hope and not celebrate but contemplate.

Dr. Habibul Haque Khondker is a professor of sociology at Zayed University, Abu Dhabi, UAE.