

Is bipartisanship workable in Bangladesh?

Will the political leaders agree to a new mature approach to political principles, including bipartisanship? Will they begin a new era in Bangladesh politics and address the main challenges with optimism? Will the political parties do away with politics of bitter confrontation and develop a healthy political culture for sustaining democracy in the national interest?

KAMAL UDDIN AHMED

BIPARTISANSHIP means cooperative efforts of the government and the major opposition party to adopt legislation or resolve contentious issues. Consensus and compromise are the core of bipartisanship. Bipartisanship is also a strategic reaction to the demands of the electorate. Sometimes, partisan power struggle prevents a country from acting with a purpose and also tends to distort a political system.

The Marshall Plan (1947), and the establishment of North Atlantic Treaty Organisation (Nato) are two examples of bipartisanship in American history. Bipartisanship is considered by some analysts as a means to better national security and foreign policy.

To any political analyst, bipartisanship in Bangladesh would sound like fiction since partisanship in politics has always been encouraged. Both the BNP and the AL did not cooperate and compromise on important national issues during the past 18 years. Indeed, the bitter politics of division, political turmoil, and antagonism was conspicuous.

Intense political confrontation, escalating violence, clashes and carnage

gripped Bangladesh during November 2006, to early January 2007. Apart from sharp divisions on many issues, the two most popular leaders of the country were not even on speaking terms!

In Bangladesh, bipartisanship has been recommended by scholars, journalists, academics and members of the civil society. Political scientists believe that bipartisanship is possible when the political parties are regionally diffused, when sovereignty is threatened, or the economy is in serious crisis. Bipartisanship can help ascertain good governance in the country.

At the onset of 2009, the civil society, common people and the concerned international actors are waiting to witness the end of the political, social and economic predicaments which troubled Bangladesh. Time has come to move beyond bitterness and hostility. The triumphant AL leaders face a host of pressing problems, including economic crisis, endemic corruption and terrorism.

In order to promote national interests and also to ascertain AL's own trustworthiness, Prime Minister Sheikh Hasina, with her biggest parliamentary majority since 1973, must act prudently. On 31 December 2008, Hasina told a press

conference that she was ready to give senior parliamentary posts to BNP. Hasina said: "As winners, we have to deal with everything with a sense of forgiveness and accommodation instead of vengeance, to take the country forward in cooperation with all, irrespective of party affiliation."

If Hasina really wants bipartisanship, the following measures would be useful and effective:

- Political initiative and will to operate in a bipartisan fashion.
- Creation of bipartisan executive and legislative bodies in critical areas such as national security, energy and environment policy.
- Frequent dialogue with the main opposition.

In fact, Hasina has to act boldly with a bipartisan attitude like prime ministers Gough Whitlam and Kevin Rudd of Australia. Remarkably, "Whitlam Consensus" shaped the foundation of the succeeding foreign policies of prime ministers Fraser, Hawke and Keating. In March 2008, in his formal apology to the indigenous Australians, Prime Minister Kevin Rudd stunned many with a remarkable political program.

He invited the Conservative party to lend a hand in a joint policy commission on an indigenous housing plan. To address India's national security questions, bipartisan consensus between the BJP-led ruling NDA and the Congress was reached on India's policy towards Beijing in April 2004.

US President Barack Obama emphasised bipartisanship at a dinner honouring the Republican presidential candidate John McCain. Moreover, President Obama retained Republican Robert Gates as the US defense secretary.



Can they come together for the sake of the nation?

In order to ensure continuity of government and promote bipartisanship, Obama has also inducted retiring Illinois Republican Representative Ray LaHood.

The questions that worry the people of Bangladesh are: Will the political leaders agree to a new mature approach to political principles, including bipartisanship? Will they begin a new era in Bangladesh politics and address the main challenges with optimism? Will the political parties do away with poli-

tics of bitter confrontation and develop a healthy political culture for sustaining democracy in the national interests? Will they pursue "agree to disagree" and bipartisanship in politics as practiced in established democracies in world?

Some suggest that Article 70 ought to be abolished to guarantee that every MP is free to vote according to his or her conscience, keeping in mind the people and not the party. Finding a bipartisanship consensus will remain elusive if BNP does not cooperate and if AL does

not give higher parliamentary posts to Khaleda Zia and her party as earlier promised by Sheikh Hasina.

One thing is obviously clear: Common people and the civil society do not want to see politics of hostility and politics of hatred any more. They want peace and prosperity, which can be best secured by a democratic government that ensures "life, liberty and property" through bipartisanship.

Dr. Kamal Uddin Ahmed is a Professor of Political Science, University of Dhaka. E-mail: Kamal112au@yahoo.com.

The Gaza Horror Show

The objective of the Israelis is to drive the Palestinians to support Hamas, the only group seriously standing up to Israel. Hamas resistance provides justification for Israeli's repressive policy. Israel attacks on Hamas always fall short of complete destruction as the Israelis want Hamas to continue.

FORREST COOKSON

NOW is the time for President Obama to face the truth about Palestine and Israel. But what is this truth?

The Israeli government has no intention of enabling the Palestinians to have their own state. Their claim that this is their intention should be seen as long running theatre to pacify the West. A small child can see through this, hence we conclude the Western governments must be witting players in this theatre. It is time for President Obama to close this play and insist the Israeli government stop pretending, and accept a Palestine state.

The Israeli government continues to increase the number of Jewish settlers living in the West Bank. The Obama administration must insist on a "no new settlers" policy starting from today, an agreed method of counting settlers, and for Israel to roll back a significant number of settlers within one year. It is an action the Israelis do not want to take; but without such action one cannot

believe that the Israeli people are prepared to accept a Palestinian state.

The state of Israel is engaged in the destruction of the Palestinians: to drive them out or to kill them.

To drive the Palestinians out the strategy is to reduce their standard of living and increase their poverty; this has been regularly documented by the World Bank. GDP is declining and unemployment is increasing. The real physical welfare of the Palestinian people is desperate and a direct result of Israeli actions. Talented Palestinians are leaving to take up careers elsewhere. Living and working in Palestine is a life spent in a hell made and maintained by the state of Israel. Despite the compelling evidence the Western nations refuse to acknowledge the true condition of the Palestinians.

To kill the Palestinians the strategy is to use occasional spurts of violence, while creating insecurity and uncertainty everywhere. The latest incursion is only the most dramatic. Death also comes to the minds of children through malnutrition, mental instability, and



Selective destruction.

destruction of the education system. All of these are causes of a shorter life span. The Israelis are expert at establishing and supporting these means of ruining the lives of Palestinians.

To stop this tragedy President Obama must: (1) Compile and publish regularly legitimate statistics on condition in Gaza and the West Bank. (2) Work with the UN, World Bank and EU to deliver proper services along with employment opportunities. The Israeli wall must be torn down to enable the economy to function.

To gain an excuse for the application

of violence the Israel state covertly supports Hamas. This support includes: secret funding through third parties that pose as Hamas supporters, and forbearance in completely blocking the flow of arms into Gaza enabling a trickle of guns, rocket components and ammunition to reach Hamas.

The objective of the Israelis is to drive the Palestinians to support Hamas, the only group seriously standing up to Israel. Hamas resistance provides justification for Israeli's repressive policy. Israel attacks on Hamas always fall short

of complete destruction as the Israelis want Hamas to continue. To achieve this Hamas must be allowed to have some success, but not too much. Fatah, the other major Palestinian movement is losing support as Palestinian public opinion shifts to the "brave Hamas warriors." The outcome is the Israeli state continues to repress the people in Gaza.

Americans are afraid to speak out against Israel. The Israel lobby will seek retribution against any who undertake to explain the truth about Palestine. The tragedy of Gaza will slip from the headlines, but the shameful imbalance of coverage of newspaper like the New York Times and the major US television networks will continue. While bleating about violence around the world the residents of Gaza gain scant attention from American media. We can only hope that a more transparent policy by President Obama will improve the media coverage of the Palestinians plight.

The Israelis scream and shout about the need to attack Iran's nuclear weapons facilities and then settles for incursions into Palestine as a compromise. The same approach will be used with the Obama administration. Will Obama continue to endorse this abuse of Palestinians as a "compromise" to the refusal to attack Iran?

The Arab states care nothing for the Palestinians. The Arab citizens are angry, bitter and want action. But their

governments are content to issue angry words and to do nothing. What, after all, can they do? Better to stay quiet. The Arab citizens seethe with frustration, but, unwilling to act together to achieve real results, are ineffective.

We will see the Obama administration running around trying to improve the situation. The Israelis will say: "Sure we will send \$100 of food and medicine to Gaza residents, give us \$1,000 for our trouble." Israeli policy towards the Palestinians is extortion, they say to the rest of the world: give us money and we will stop. Of course they take the money but they do not stop the abuse.

Can the Israeli state be trusted? Absolutely not. In their dealings with the United States they have deliberately attacked the US Navy (USS Liberty) and carried out intelligence operations against the United States despite repeated assurances this was not being done. The objectives of the Israeli state remain taking more and more land in the West Bank and pushing Palestinians out of Palestine.

Can anything be done? Probably not. The only path out of this mess is determined leadership by the United States to develop the economies of the West Bank and Gaza, with Hamas violence stopping, withdrawal of some settlers and immediate progress towards a Palestinian state. The Israeli government cannot dodge such an aggressive stand from the US.

Forrest Cookson is an economist.

Talking monetary policy

The final untold story in the MPS relates to the priority accorded to the "expansion of relative shares of supply-side loans such as those for agriculture and SMEs, and not of non-essential demand side consumer loans." While agreeing with this stated priority, we could not find any statement on how BB aims to achieve this under the current market-based system.

AHSAN MANSUR and BAZLUL HAQUE KHANDKER

BANGLADESH Bank (BB) issued its Monetary Policy Statement (MPS) on January 14. The MPS almost went unnoticed, except for the envisaged surge in credit to the public sector and a decline in the growth rate of credit to the private sector envisaged for the second half of FY2009.

Certainly it is not a careless mistake on the part of BB to program a surge in credit to the public sector to 27.25% in FY2009, compared with about 12% in FY07 and FY08. This surge is consistent with the estimated budget deficit of 5% of GDP, reflecting the expansionary stance of FY09 policy.

However, it is not clear how the fiscal

deficit target will be achieved with revenue growth already well below the budgetary revenue target of Tk. 545 billion and the bleak revenue outlook, with import prices declining. The decline has barely been reflected in the revenue data through November, but credit to the public sector has grown by 23% compared with 9.2% in the first half of FY08.

Thinking that saving because of petroleum subsidy would offset the decline in revenue is simplistic. Not only will the revenue shortfall be larger than the saving in petroleum subsidy, there is also no reflection of the reduction in fertiliser prices on public sector borrowing. At Tk 2757 crore, this measure alone may increase public sector borrowing by 4.7 percentage points over the growth shown in the MPS.

BB is not responsible for the possible worsening of the fiscal deficit, but it has the responsibility of reflecting the potential impact of such borrowing on the monetary policy. The MPS should state the risk to the monetary program targets emanating from the fiscal side, and the cost of funding new measures.

The projected decline in the growth rate of credit to the private sector in the second half of FY09 by almost 6 percentage points is also puzzling. The argument that "with no further seasonal spike in liquidity demand in the second half of FY09, broad money and domestic credit growth paths are expected to remain close to their program paths..." does not appear convincing because of two factors.

First, credit expansion to the private sector in the second half of the fiscal year is usually higher than in the first half. Taking a three-year average, growth of private sector credit in the second half (21.6%) exceeds the rate of expansion in the first half (17.3%). Second, the MPS states that the rate of real economic growth would be 6.5%. Since this position rules out any slowdown in economic activity in the second half, why would credit expansion be slowing down in that period?

The tightening of credit in the second

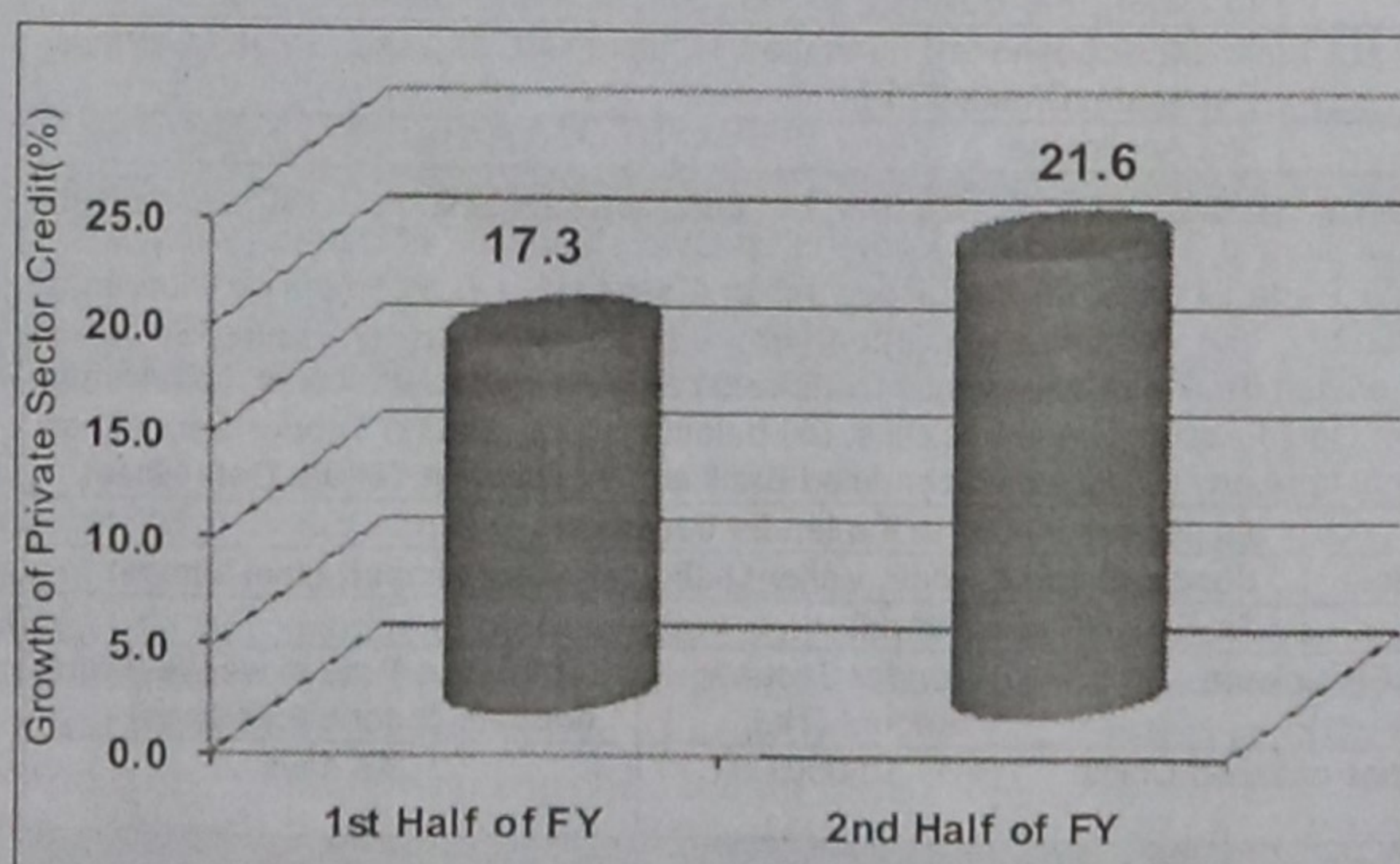


Table 1: Growth of Private Sector Credit (3 year average, FY 06 FY 08)

half of FY09 is also difficult to reconcile with maintaining a private sector led growth strategy. Given the seasonal pattern, "appropriate active use of the repo and reverse repo tools" will lead to a tightening of credit to the private sector in the second half of FY09 if BB really wants to achieve the quantitative targets. Would it not be appropriate for BB to alert the public about the potential monetary tightening that may be needed to bring monetary expansion in line with the

envisaged targets?

The final untold story in the MPS relates to the priority accorded to the "expansion of relative shares of supply-side loans such as those for agriculture and SMEs, and not of non-essential demand side consumer loans." While agreeing with this stated priority, we could not find any statement on how BB aims to achieve this under the current market-based system.

It does not require much imagination to presume that BB would probably resort to moral suasion or "arms twisting" to encourage banks to lend more to the priority sectors and contain consumer lending. Since such administrative measures have their limitations, BB may consider increasing the risk weights for consumer lending so that banks would be forced to provision for such risky lending.

The economic outlook has changed in some important areas since the original monetary program was formulated in the context of the budget, perhaps more so due to the government's announced policy priorities. BB's new MPS should entail a corresponding shift in the stance of monetary policy and also highlight the risks factors, which may potentially undermine the stated monetary policy objectives. Spelling out the untold stories underpinning the monetary developments would have certainly enhanced both the quality and objectivity of the MPS.

Ahsan H. Mansur is Executive Director, Policy Research Institute. E-mail: (amansur@pri-bd.org), and Bazlul Haque Khandker is Professor, Department of Economics, Dhaka University.