

Election manifestos of AL and BNP

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In keeping with tradition, the election manifestos of the two leading political parties have been made public, a fortnight before national elections. It would be tough to fault any of them for not being comprehensive. Though details are sometimes lacking, perhaps on grounds of brevity, almost every issue of national importance seems to have found a place in the overall agenda. Regardless of which party takes charge, at the end of five years, if either programme is partially albeit mostly fulfilled, Bangladeshis would be a happier people and the country would be a better place to live in. That said, much of this optimism will have to rest on implementation. Spreading prosperity across the country takes centre stage in both programmes. This comes from years of political experience which has shown the political leadership that achieving tangible and broad-based economic progress was tantamount to winning half the battle for re-election. Thus, not surprisingly, economic policies have received high priority in both manifestos. A careful read of the two documents shows quite a few similarities. Following common themes are notable: emphasis on freeing the country from the curse of corruption, poverty alleviation, halting uptrend in prices of essentials, generation of employment and spreading education, improvement of health services and expansion of

communications and infrastructure, and establishment of good governance. While importance of each of these goals in the national agenda is indisputable, the hard part clearly lies in actual realisation of these goals.

While achieving higher growth and poverty reduction runs as a common theme, one finds more specificity in the ALmanifesto in terms of quantitative targets and milestones. But lack of growth targeting in the BNP manifesto might also have a purpose. What we have is an election manifesto, not a plan document. Therefore, inclusion of broad policy goals is in order. The two past BNP terms (1991-96 and 2001-2006) have seen high growth performance as well as significant poverty reduction. Its manifesto appropriately claims credit for that and promises more of the same if voted to power.

AL manifesto on the other hand chooses specificity and sets a target for achieving annual GDP growth rate of 8.0 per cent by 2013, and 10% by 2021. These appear quite feasible targets, but the devil is in the details. Such specificity has some disadvantages in that it raises questions. One wonders if there is any need to wait until 2013 to reach 8.0 per cent growth. Since the economy has already grown at an average rate of over 6.0 per cent in the past five years, 8.0 per cent GDP growth is within reach provided the power constraint is removed and the AL target for generation capacity of 5000MW by 2011 is likely to do that. A more fitting strategy would have been to target 8.0 per cent growth, on a sustainable basis, over the next five years, followed by 8.0-10.0 per cent growth thereafter. Only China has done something like that while India and Vietnam showed lot of promise in recent years.

The bigger challenge would be to raise investment rates to the required 31-32 per cent of GDP from its current

level of 24 per cent. Both local and foreign investments need to be mobilised. That means working on improving the investment climate. While both manifestos make commitment to encourage local and foreign investment, along with incentives for Non-resident Bangladeshis (NRBs), they pay scant attention to undertaking those reforms that are needed to get the job done. The point needs to be made that 'business as usual' will not yield sustainable results in terms of growth or poverty reduction. Hard policy choices will need to be made, say, in the area of domestic resource mobilisation, and on so many aspects of governance. Is the political leadership ready to take the bull by the horn? Both parties make poverty alleviation the centerpiece of their agenda. But they differ in the articulation of the strategy to achieve this end. BNP manifesto eschews poverty targeting within a certain time frame unlike its AL counterpart that takes the cue from current data on headcount poverty. The latter has set a target of reducing the proportion of people living below the poverty line from the present 45 per cent to 25 per cent in the next five years, while absolute numbers of the poor is to be reduced from 65 million to 45 million by 2021. The task of reducing poverty by 20 per cent in five years, or by 4.0 per cent each year, appears daunting indeed. To my knowledge, such rapid poverty reduction has not happened in China, India, or Vietnam. If past is any guide, accelerated growth does yield greater poverty reduction and both parties are counting on achieving higher growth and getting poverty reduction as dividend. The big challenge here will be that of making growth inclusive and pro-poor. Both parties promise to address the unemployment problem, particularly by addressing the situation in rural

households. BNP manifesto talks of a “national employment project” that will ensure employment of at least one member of each poor household in rural areas. At the very least, this would mean creation of some two million jobs for unemployed households spread all over the country. On the face of it, the idea appears innovative, but the mode of realisation of such a gigantic task is not spelled out. AL manifesto adds specificity by talking about bringing down the number of unemployed from 28 million to 24 million over five years, and to 15 million by 2021. Estimates of unemployment are always fraught with difficulties in a country where the more acute problem is underemployment rather than open unemployment. Neither manifesto addresses the issue of underemployment, which they should have.

The recent spurt in inflation and the consequent rise in the numbers of the poor have prompted both parties to address inflation on a priority basis. It is disconcerting to find hints in both manifestos of adopting a strategy of price controls giving rise to the specter of market intervention. If carried out, this would be unhelpful for the problem at hand and can only make matters worse, as we have seen recently when the caretaker government (CTG) made vain efforts to stem the tide of rising prices by going after so-called hoarders and imposing price controls that were ineffective. In this context, the AL manifesto’s desire to eliminate ‘syndicates’ might be premature in view of the fact that research has not supported the view that market intermediaries are necessarily bad. It is far from proven that the millions of intermediaries (beparis) that permeate the market for agricultural products countrywide operate in a non-competitive market structure in order to be able to manipulate prices of essentials.

Taking credit for past record of successful private sector-led development, BNP makes the clear commitment to pursue the same approach. The AL manifesto appears not so forthcoming though a case is definitely made for creating investment friendly environment within a competitive market system. Perhaps recent setbacks in the capitalist economic system in the wake of the global economic crisis have dampened their enthusiasm for unbridled operation of market mechanism. Nevertheless, both parties come out in favour of protectionism with a commitment to protect domestic industries. Thus, though analysts have labeled Bangladesh as a country with one of the most restrictive trade regimes - with the highest tariffs on record -, the situation is unlikely to change in the next five years. Neither manifesto shows appreciation for the fact that a high tariff regime serves as a barrier to export growth. Though both parties make commitments to promote exports, unless new and potential exports are given the kind of duty-free regime enjoyed by readymade garment (RMG) and footwear exporters, diversification of exports by product and destination could remain an unfulfilled dream. Energy shortages serve as binding constraint to growth. There is notable agreement on both sides on this count and strategies have been laid out in their manifestos. Again, in terms of specificity, AL has outlined targets and milestones for enhancing generation capacity, to 5000MW by 2011, and 7000MW by 2013. These are fairly conservative targets given that current demand is estimated at around 5500MW, and rising. Perhaps dictates of realism have driven them to err on the side of caution. Moreover, both favour going for small power plants for quick implementation. BNP goes on to commit awarding contracts for Bibiyana 450MW and Sirajganj 450MW power stations within 100 days of taking charge. Subject to protecting national interests,

both parties support

exploration for new gas, oil and coal, with AL going for Rooppur Nuclear Power project as well.

With some variations, a number of high profile infrastructure projects have found pride of place in both

manifestos: Padma bridge, Deep seaport, Dhaka-Chittagong expressway, flyovers and mono rail for removing

traffic congestion, Karnafuli bridge, and the like. Support from multilateral donors will be sought and publicprivate partnerships encouraged.

Though both parties have talked of reducing prices of essentials and bringing the price of rice within reach of

the common man, they stopped short of putting a number. Instead, the promise of enhancing subsidy to farmers

for inputs appears to be a bipartisan strategy. There is no mention of where the additional resources are going to

come from. In general, one is struck by the absence in both documents of any estimate of fiscal costs of the

schemes in question and lack of any strategies for augmenting domestic resources to pay for them.

Last but not least, bipartisan commitment towards continuing the anti-corruption drive and improving the

country's law and order situation is laudable. One hopes there will be enough political will to rise above partisan

politics in upholding the law for all occasions.

To be fair, the AL manifesto appears to be more organised and coherent. There is even a list of five priority

issues to top the agenda, something the BNP manifesto misses out.

This country stands at the cross-roads of history, after thirty-eight years of independence.

Thirty-eight years is a

long time to change the face and fortunes of a country and its people. In all these years, for ordinary people

in Bangladesh, our political leadership has always given them reasons for hope, as well as disappointment. The

next five years could be singularly consequential for our country. They bring challenge as

well as opportunity.

For all their shortcomings, if the two manifestos are to be believed, people cannot be blamed for having the

audacity to hope for peace and progress for the next five years, whoever is at the helm.

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