

Let there be light

By Syed Abul Basher

In an article by Rehman Sobhan the author argues that it's a fallacy to consider the military option as a surrogate of failed governance in this South-Asian region. As the author writes:

South Asia's experience with military rule shows that the military have provided no answer to the problem of governance failure and have, if anything, aggravated these problems by undermining any sustained opportunity for democratic practice to take root through a process of trial and error. Attempts to validate military rule by elements in civil society in South Asia, who remain deeply disappointed with South Asia's record of poor governance under democratic rule, are thus dangerous to the sustainability of the democratic process. The belief that such military coups designed to end bad governance will usher in an era of good governance offered by a new generation of political leaders born from the unfertilized womb of civil society is a dangerous fallacy (*Daily Star, 13 Dec. 1999*).

The concept of governance is important in economics because there exists a relationship between governance and economic performance, albeit the transmission mechanisms may not be well defined. Hossain and Rashid (1996) remark:

[In general] economic performance is intimately linked with economic, social and political institutions—the bases of governance. The government, through its coercive power and authority, can create and develop such institutions which in turn may lead to good governance. Here lies the role of government in economic development. In fact the contemporary debate on the East Asian economic miracle is centered on the question of whether an authoritarian, strong state is a requirement for economic development.¹

The above two citations may appear inharmonious to the readers. To reconcile these views an immediate bridge is essential. The aim of this article is to discuss the possibility of a military option, not as a substitute for failed governance, rather as a strategy of economic growth for which prudent governance is essential.

“Military”, for the purpose of this article is defined to include the Army, Navy, and Airforce. Throughout this article we will use military and defense synonymously. Each year the Government of Bangladesh (GOB) spends an astronomical amount of money to maintain the military. Military expenditure as a percentage of GDP grew 1.4 in 1985 to 1.9 in 1998.² Now whether a third-world country like Bangladesh can afford to spend such huge amount of money on the military while other priority development sectors like health, education, and employment are surely lacking funds and government initiatives toward improvement—is a debatable issue. The intention of this article is not to discuss the rationale of such military expenditure but to explore how the existing scenario can be ameliorated.

The *military* is probably the only single institution staffed with even-minded individuals who have bestowed their life to protect the country's security. They are the most disciplined, educated, diligent, and sophisticated group of personnel. Why can the military not be used as a revenue-generating sector? Can we afford to disregard such a gigantic labor force as practically unemployed?

Suppose the military is given the opportunity to set-up industries such that the revenue generated from these projects will primarily be used for military welfare purpose. It can be safely anticipated that the military will be better able to handle a profitable concern than their non-military counterpart. There are at least two reasons why this should be the case. Supposing the military and non-military are carrying out a similar business. Business carried out by the former group will encounter relatively low total business risks. Business risks are defined to include two types of risks – systematic and non-systematic. For example, poor management, a common element of systematic risk is relatively low in an institute like the military since it has got a proven management group. Military also faces lower non-systematic risk, e.g. since they encounter a relatively low number of

¹ Akhtar Hossain and Salim Rashid, “In Quest of Development: The Political Economy of South Asia.” 1999. University Press Limited.

² The Military Balance 1999-00. The International Institute for Strategic Studies. Oxford University Press 1999

political forces. Events like hartals a major constituent of non-systematic risk, are virtually nonexistent in military zone.

We often talk about industrial park or zones to encourage investment. Fortunately such a concept technically exists in the military zone. Of the huge area that is currently occupied by the military, the portion that can be used for these productive activities already possess developed ancillary infrastructure. Therefore relatively low capital investment will be required to start with.

Staffed with these features along with present market demand, supply, opportunities, and threats, the military ought to be given the scope to start production. Potential areas of intervention could be information technology, textile industries, service industries etc. For example, the military can vie for large projects, and can bid for infrastructure projects. The military with its comparative lower operating costs and quality management could certainly be a very competitive bidder in the market and help considerably to determine the true bidding price.

Examples of such cases are not uncommon, for example, the People's Liberation Army (PLA) of China, where the army, navy, and air force are all components of the PLA. The PLA plays a significant role in economic production and in major construction efforts such as dams, irrigation projects, and land reclamation schemes. The PLA virtually ran the nation during the most chaotic years of the Great Proletarian Cultural Revolution (1966-1969).³ PLA is in fact the largest business conglomeration in China. The Peru government also uses the defense to build its infrastructure like bridges, dams, roads etc. In Bangladesh the uses of military has only been limited to ceasing civil stages or strikes, implementing crowd control and aid the civil population during the disaster times. Recently military has been deployed on numerous occasions to help Dhaka city be free from the scourge of traffic congestion.

The advantages of military involvement in business are numerous. At a first glance, it will increase the competition among the private and public enterprises in terms of both quality and quantity. The existing enterprises will have to work harder in order to survive in the competition. Second, this will reduce the dependency of military on Annual Development Plan (ADP), thus giving government enough space to finance its other priorities. Finally, it will also increase government revenue base.

Bangladesh, stricken with problems like high poverty, debt-ridden public enterprises, corruption, political instability, slackening manufacturing performance, poor environmental quality, etc., needs to do something drastic in order to grow. We will not get an *Aladin's* lamp to solve our problems overnight. Instead we should explore such radical, if not impossible opportunities.

If the military can come forward during civil unrest, natural calamities in the country, why not in this case too? This is where the concept of prudent governance comes. It is the government who can materialize such an idea via negotiating with the military in an open and non-controversial way.

Let me conclude the discussion in quoting an American political scientist. In one of his books Samuel Huntington (1968) remarks about military in the following manner:

The military officers play a highly modernizing and progressive role. They challenge oligarchy, and they promote social and economic reform, national integration, and, in some measure, the extension of political participation. They assail waste, backwardness, and corruption, and they introduce into the society highly middle class ideas of efficiency, honesty, and national loyalty.

Graduate Student of Economics, York University, Toronto, Canada.

³ "China," *Microsoft® Encarta® 97 Encyclopedia*. © 1993-1996 Microsoft Corporation. All rights reserved.