

# Facts vs Fads: Democracy and Economic Performance

Contributed by Abdul Momen  
Monday, 30 April 2007

"The record is very clear. Despite all the blame conveniently put on the politicians, they actually have performed far better than authoritarian rulers in improving the economic condition of the country. Just scapegoating politicians is a disservice and escapism." (Photos by Julien Mailler)

"Through the 36 years after independence politicians gave us nothing good," declared Moeen U. Ahmed, the Army Chief, at a gathering in late March, 2007. It is fashionable in these days of disinformation and army-backed government to blame politicians for all evils. A section of the local intelligentsia is also happily endorsing such views of the interim government without question.

But the facts tell a different story. Read on, let the information sink in, and then ask: what is the ulterior motive in such a disinformation campaign? The actual record of democracy

The table below compares the major macro-economic indicators of Bangladesh for its periods of authoritarian rule (1975-1990) and electoral democracy (1991-2005). Even with corruption and periodic political chaos due to polarization and rivalry between the two "Begums," democracy produced significantly better economic performance than what was generated by military rule.

Growth in per capita GDP during democracy (5.9 percent per annum) was a whopping 59 percent better than per capita GDP growth during civil-military authoritarianism (3.9 percent per annum). Overall GDP during democracy grew by 5.1 percent annually on average, but during authoritarian rule the growth rate was 3.2 percent.

The investment rate almost doubled during democracy vis-à-vis military rule. Even more prominently, the savings rate during democratic rule (37.5 percent) was more than triple of what the authoritarian rulers were able to achieve (11 percent).

During democracy, Bangladesh's exports grew much faster. And inflation, the main worry of poor people, was kept far better in check during democratic governance. The trend today is also consistent with this performance. Under authoritarian economic management now, inflation this year is expected to reach 10 percent. Liberal policies and economic effects

The higher growth rates were achieved in part because of other liberal policies undertaken by political governments. A free press, private television channels like Channel I, ATN Bangla, and NTV, and the entire telecommunications revolution in Bangladesh made famous by GrameenPhone was spurred during democratic rule. The better flow of information and communication not only generated economic benefits, but also enhanced public consciousness dramatically, allowing the media to raise issues of accountability that we take for granted now.

In addition, the historic Ganges Water Treaty and the Chittagong Hill Tract Peace Deal were both completed by the Awami League government, producing significant economic benefits in the northwest and southeast regions of the country respectively. Authoritarian governments of Bangladesh had raised the Ganges water sharing issue even at the UN General Assembly, and spent tons of money on the Farakka issue both home and abroad, but with no avail.

In the last 36 years, non-democratic governments ran the affairs of Bangladesh for almost 16.5 consecutive years (the first 3.5 years can be considered a reconstruction period after a massive war). It is during this time that institutions of governance were destroyed, and corruption became a prominent part of the economy. There is no denying that both Major General Ziaur Rahman and Lt. Gen. H. M. Ershad showed the path of corrupting the administration with their hand-picked cronies. Beware the blame game

The record is very clear. Despite all the blame conveniently put on the politicians, they actually have performed far better than authoritarian rulers in improving the economic condition of the country. Just scapegoating politicians is a disservice and escapism. But worse, it is probably being done deliberately to hide the destruction to both the economy and the values of the country that were brought on by the military-led governments between 1975 and 1991. As we enter another authoritarian period, intelligent citizens must keep in mind the historical record, so that they do not fall prey to the blanket anti-politician propaganda being spread nowadays.

[About the author](#) | [About the photographer](#)