

ASIA 2015 CONFERENCE
LONDON
Bangladesh perspective

-- Mainul Hosein

The globalisation has come upon us as a result of amazing improvement in science and technology. The fast progressing globalisation offers both big opportunities and huge challenges. Because of overwhelming control over technologies resources and high expertise the developed countries are in a much better position to reap enormous benefits from globalisation and global free market economy. But developing countries are greatly handicapped to compete with developed countries and share the benefit of globalisation.

Yet by their unprecedented growth in adverse circumstances such as political turmoil, natural disaster and population pressure the Asian countries have proved their potentials for ending poverty within a generation provided they get the right kind of assistance from the world community.

Some partnerships are already in existence for regional and international economic cooperation. The aim of the present conference is, however, to agree how the Asian countries, together with development agencies and the international community, will meet the remaining Millennium Development Goals. To this end and objective, it will be essential to take into consideration each country's needs in the light of development achieved so far along with existing political and cultural realities.

It has been rightly recognized by international aid agencies that in comparison to Africa, Asia is different and requires different approaches and different solutions. What is true is that “Asia exhibits massive extremes of development from highly successful and wealthy to over-whelming poverty and hardship”.

As the worlds fastest growing region progress in the Asian countries amidst corruption and deficiency in good governance is both a paradox and a surprise. Despite unprecedented growth, progress has been uneven and two-thirds of the world’s poor still live in poverty in this region.

Mr. David Wood, the Country Representative in Bangladesh UK-DFID has himself praised the position of Bangladesh saying that Bangladesh has many insights and success stories to state. “For instance, its remarkable record of macro economic stability, with positive economic growth every year for the past 30 years. Also, the ground-breaking expansion of micro finance, and the vast network of NGOs. Primary school enrollment is approaching 100% - one of the highest rates, particularly for girls, in the developing world. And in health, infant and child mortality have been brought down faster than in any other developing country”.

It signifies how liberal Muslims in Bangladesh are that the enrolment of girls at the entry point of education is by far the highest among the Muslim countries of the world. Adoption of family planning was no problem in Bangladesh. Social mobilization and motivation has also proved easier than many countries of this region.

Bangladesh introduced market-oriented liberalizing policy as early as mid 1980s. The rural infrastructure in Bangladesh is one of best. No village is too remote. The child labour is one of the lowest in Bangladesh. Bangladesh has achieved a remarkable success in attaining near self-sufficiency in the production of rice. The country has made transition from being primarily a jute-exporting country to a garments-exporting one.

Bangladesh being no longer an aid dependent country, it is time to develop a new kind of partnership with the developed community that goes beyond traditional donor-recipient relations. This partnership has to be again in the words of Mr. David Wood: “accountable for better coordination, greater predictability of aid flows, and respecting the need for national ownership of the development agenda”.

I congratulate the organizers of the conference namely, DFID, World Bank and Asian Development Bank for focusing on growth for ending poverty. The goal of economic development in developing countries should not just be for reduction or alleviation of poverty. In the fast changing world the poor developing countries must be encouraged to follow the higher vision of prosperity for all on an equitable basis with particular emphasis on involving the poor in the process. In short our economy has to be helped and prepared for moving forward fast to make us a developed country. We must not remain good only as market and for micro-credit. Bangladesh must make a fresh and bold start for realization of broader ambitions for the nation.

I am glad that there is this realization among us all that what is need to help developing countries is not doling out cash but partnership in economic growth. The cooperation with the NGOs has to change its perspective. Such

partnership in economic activities among nations will also help to create constructive and meaningful relationship among the nations. There was never in the history of mankind so much need for better understanding and more cooperation among nations for peace and well being of individual nations.

Eradication of poverty and not just reduction of poverty must be the goal of economic growth when the world community has so much to offer and share. The partnership has to be just and equitable for both the developed and developing countries. The foreign aid as charity has not ensured equitable growth. Corruption in developing countries has gone up many times. The divide between the rich and the poor expanded. The poor became less poor but the rich has become much more richer. Such international cooperation of the past has not done enough to create political goodwill and trust between donor and donee countries. Despite many good things they did, the World Bank and IMF had to face much criticism as well.

The Poverty Reduction Strategy Papers are also being criticized by some experts as being designed to keep the developing countries eligible for aid. They say that without structural changes to correct the injustices of poverty merely setting targets for Millennium Development Goals will bear no fruit. Easy way of helping the NGOs is not the way to help stable economic growth and equitable distribution of national income. This kind of initiative has neglected the urgency of good governance and helped corruption to grow in the developing countries.

The needs of a particular country has to be duly given the weight it deserves for purposive partnership. Special attention will be needed for poor

people's quality education, training, health and access to employment and resources and participation in governance. For employment among the poor people there is an urgent necessity of developing skills and not merely imparting education. When poor people will be provided with gainful employment opportunities, they themselves will be able to take care of some of their other basic needs and problems. So gainful employment for the poor should be a high priority. Distribution of means of production in different parts of the country has also to be considered on an urgent footing to accelerate distribution of income among the entire population.

We need natural partnership as dictated by the compulsion of globalisation between the developed and developing countries to explore national and international possibilities for our economic growth. We must get rid of the stigma of being a poor developing country. Such partnership cannot be and must not be where the strong dictate the weak and vulnerable. This partnership must be in favour of fast growth through best mobilization of internal resources and external cooperation.

The NGOs could play an important role up to a point. Real economic growth is not possible by ignoring the government. Bangladesh is proud of the success stories of micro-credit. I would say that micro-credit facilities have now created the economic base for the government to go forward with larger economic goals. But we have also to know the extent of help the providers of micro-credit can offer. One of our renowned economists, Professor Rehman Sobhan, has this to say about the limited scope of micro credit:

“It is arguable that by locking the poor into the micro-credit system, based on the fiduciary responsibility of the household, they have been excluded from participating in the macro-economy, have been isolated from collective action and condemned to live on the fringes of the poverty line. It is therefore not surprising that countries with the most substantive exposure to micro-credit remain mired in poverty. This caveat on the limits of micro-credit remains without prejudice to the enormous contribution of micro-credit in alleviating poverty and distress, as well as enhancing the self-worth of the poor”.

We have also to admit that the NGOs are not alone in providing micro-credit. Although they are involved in the biggest way in Bangladesh. The government of Bangladesh extends considerable support to micro financing.

Without undermining the ground-breaking role of the NGOs, there is a consensus about the overall conclusion that despite proclaimed objective of achieving social justice and better life for the masses, the magnitude of poverty in Bangladesh continues to be immense. The three other Economists like, Mr. Momtaz Uddin Ahmed, Mr. A.H.M. Mahbubul Alam and Mr. Harun-ar-Rashid came to the same conclusion in their paper on The Role of NGOs and added that “ the magnitude of poverty in Bangladesh continues to be massive”.

What I am trying to emphasize is that let the NGOs do their good work, but the government must also do what it must. The activities of the NGOs also needed to be regulated for their accountability and transparency. Big NGOs are fast developing chain of business ventures centering round the

recipients of micro-credit. They have accumulated huge cash and economic clout. We cannot allow poor to remain perpetually dependent on micro-credit. Besides, the poorest of the poor have remained excluded from micro-credit. Street beggars are still as shameful sight in big cities. Yet the determination of our poor people to fight poverty can be measured in the fact that although they had to pay steep interest rates between 20% to 33% on loans taken from the NGOs the success rate of loan realisation is 98% or more.

For national economic growth there is no alternative to have a government that can be trusted. The partnership role must also mean partnership in building democracy and democratically trusted and accountable government. It is only in the genuine working of a democracy that the larger interest of the people finds its rightful place and urgency. In the words of another Bangladesh economist Dr. Wahiduddin Mahmud : “There is no doubt that to consolidate the progress on economic and social fronts achieved thus far and to meet the risk of slippage, Bangladesh needs to strengthen its institutions of economic and political governance”.

Election itself is no democracy. We must build good governance so that the well-meaning partnership does not degenerate into a partnership in corruption with corrupt governments. Democratic accountability of the government and economic growth are to be treated as interlinked and not separable. And to know at which entry points the development partners can be most helpful they must rely more on local consultants than foreign consultants.

Many distinguished visitors to Bangladesh have admitted that despite many political and financial constraints and the government's weaknesses the country has made remarkable progress in some areas, and the economy as a whole is growing steadily. They found the private sector dynamic. Though much is to be done to make the country more investment friendly. The British parliamentarian Mr. Lyn Brown while visiting Bangladesh last month found justification for more assistance for Bangladesh from Britain and European Union.

Bangladesh has elevated herself from long time low to medium term human development index according to the Human Development Report of UNDP. As regards Bangladesh's progress toward Millennium Development Goals the country has been found to be well "on track".

This globalised world with globalised thinking and cooperation can make poverty a history of the past. It is very important that we must also build a partnership against war and language of war. Any war anywhere can consume us all and even victory will turn out to be in the words of late U.S. President Kennedy, ashes in the mouth of the victor. The present danger of a religious war must be shunned for peace and prosperity we can all enjoy together. Terrorism everywhere is political and can best be dealt with international cooperation politically. The reality of globalisation requires us all, belonging to both developed and developing countries, to think more for peace and progress than war and subjugation. The globalisation has made subjugation through war impossibility and even trying it most costly.

Globalisation implies partnership worldwide. Let us construct this partnership for a peaceful better future for the one world we live in.

Let me end on a note of much cherished optimism, as expressed by the Secretary of the State for International Development Hilary Benn MP that if the global community addresses such challenges now, in a generation, poverty eradication in Asia could be one of the world's great success stories.

###