

# THE POLITICAL ECONOMY OF DEVELOPMENT WITH SPECIAL REFERENCE TO BANGLADESH\*

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## Contents

### Introduction

1. The period of cold war
2. Fall of the Berlin Wall and the era of liberalization
3. The global meltdown and the dawning new era
4. The Bangladesh scenario, imperatives and possibilities:
  - 4a. The ‘superstructure’
  - 4b. The ‘base’
  - 4c. The problematic of equity-promoting development in Bangladesh
5. Conclusion

References.

## Introduction

Political economy belongs to different paradigms. In deference to the audience at this conference I shall discuss in this paper the political economy of development with special reference to Bangladesh from the point of view principally of *development with equity*<sup>1</sup>, equity being operationally assessed by the distribution of income of a country<sup>2</sup>.

1. The period of cold war

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<sup>1</sup> See, e.g., Greig 2007 as one of the recent text books on Development emphasising this objective. The desired level of equity has not been pinpointed in the development discourse, but concern is generally expressed if a country's gini coefficient is near 0.4 or higher. Consideration of human rights and human dignity is kept in view in discussing development in Bangladesh only, for lack of sufficient information in the author's hands for other countries. See also Rahman 2010a for more elaborate discussion of this question in the context of the concept of poverty in Bangladesh.

<sup>2</sup> For the author's discussion of the question of development of Bangladesh with a more radical perspective see Rahman 2010b.

From after World War II until fall of the Berlin Wall development efforts in the so-called 'less developed' countries (LDCs) were of two broad types: One followed the 'Truman Doctrine' of exporting resources technology and advisory services to help LDCs develop under central planning in the models of the 'developed' countries. A philosophy of 'growth first and distribution later' was integral to this approach *à là* the 'Kuznets hypothesis'. This approach failed. Two principal reasons that may be suggested are avoidance of fundamental socio-economic reforms and the fact that the political and technical elites through whom external assistance was channelled lacked the requisite commitment for genuine development of their broader societies as distinct from privileged benefits to themselves and their own 'class'. A dramatic example of failure of such attempted development in South Asia was the break-up of Pakistan as a nation at the very height of its 'Decade of Development' celebrations on the very question of equity (Rahman 1970; 1993). On a global scale, this era of misguided development kept the bulk of the world's population living subhuman lives deprived of the fruits of world 'civilisation' (technological advancement?).

The other approach to development in this period – in Japan, China, Korea and Taiwan, the 'North-east Asian tigers' - rested on agrarian reform as a foundation in different ideological contexts. This resulted in spectacular economic growth in these countries combined with significant promotion of equity belying the Kuznets hypothesis.

## 2. Fall of the Berlin Wall and the era of liberalization

*“neoliberal globalization is among the main causes of a deepening of the crisis of development in many Southern countries.” – Praful Bidwai (2009)*

Then fell the Berlin Wall from internal contradictions within the communist countries themselves. The capitalist world thus freed from its major threat now let loose its market tentacles to engulf and exploit the world under the banner of 'liberalization' alias (neoliberal) 'globalization'. Transnational formations emerged as the major economic power of the era to exploit cheap labour of the south. The World Bank-IMF team, an alliance of international development financiers, became the virtual development advisor for most southern countries with their power of finance. Fundamental socio-economic reforms were 'banned' as a condition of financial assistance notwithstanding

the *Peasants' Charter* of the United Nations (FAO 1981) calling for agrarian reform. Development was now supposed to take place principally through the influx of foreign private investment to exploit, singly or in collaboration with national capital, cheap labour of these countries for which the door must be kept open<sup>3</sup>. This released governments of these countries of serious responsibility for development of their economies, and chasing foreign finance, part of which could be hijacked for personal aggrandisement of political and administrative functionaries and their clients, became a major preoccupation of these governments. While economic growth as conventionally measured (see n 4) has continued at various rates in different countries, and 'absolute poverty' counts showed improvement in several countries, income inequality has increased in all countries during this period of liberalization. (Weller and Hersch 2002; Jomo 2006; Wei-chen 2008).

The 'absolute poverty' count most commonly used in this period is that introduced by the World Bank based on a notion of 'basic needs' purportedly to represent the minimum needs of subsistence. This has reduced the concept of poverty to a 'livestock' notion (Rahman 2004:11; Greig *et al* 2007:18), essentially representing a cheap-labour-exploitation view of development that dominated in this era. The 'basic needs' concept was first introduced in development discourse by the ILO, which had placed this notion within the context of "a nation's overall economic and social development" emphasising that "In no circumstances should it be taken to mean merely the minimum necessary for subsistence" thus viewing it as a relative notion, and also within the notion of "the dignity of individuals and peoples" (ILO 1976). This 'basic needs' concept had received wide support in the cold war era and was in line with the concern that the fruits of advancing world 'civilisation' ought to be shared and not be appropriated by a small section of elites. But this concern and the associated relative notion of basic needs (poverty) was disregarded since fall of the Berlin Wall when the poverty calculus was taken over by the World Bank with its power of finance propagating a static notion of basic needs. The World Bank/IMF - led growth calculus also kept using a single-index measurement rejected by humanist development thinkers (Haque *et al* 1977; Max Neef *et al* 1989.)<sup>4</sup>

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<sup>3</sup> Note that all the economically advanced countries of today had taken recourse to strategic protectionist measures in their days of advancement, reducing, but not eliminating, protectionism only after World War II.

<sup>4</sup>This growth count has gross technical flaws e.g. in not adjusting for serious depletion of environment and national capital stock affecting a country's future growth potential, and relative market prices being way off from representing relative social valuations of the goods and services being produced in countries with highly skewed income distribution and non-competitive markets. The index as measured also overlooks

At the level of development philosophy, liberation of ‘individualist’ aspirations was espoused (Sen 1999) in line with the dominant ethos of Anglo-Saxon societies leading the capitalist world, ignoring significant collectivist values prevailing in the vernacular life of southern societies. Finally, an array of NGOs were fielded with foreign finance in many countries of the south many of which served to create ‘micro-colonies’ that trapped the ‘beneficiaries’, disdainfully called ‘target groups’ (see n10) - an affront by itself to human dignity - into their folds to promote donor-led ‘development’.

Overall, the bulk of the world’s human population continued to be deprived of the fruits of the phenomenal growth of world technology, and this period of ‘liberalization’ generated a menacing rise of religious fundamentalism with its suicide squads sworn to destroy this unjust ‘civilization’ for salvation in the ‘after-world’.

### 3. The global meltdown and the dawning new era

*“Individualism is fulfilled by curtailing itself; else it degenerates into crookedness and hence into destruction.” – Rabindranath Tagore (translation).*

*“The fall of Wall Street is for market fundamentalism what the fall of Berlin Wall was for Communism.” – Joseph Stiglitz.*

But this state of affairs could not continue, and we are now in the third phase of the world political economy of development – the global meltdown and thereafter. This meltdown has thrown the capitalist world into total disarray amidst human disaster of epic proportions. Capitalism of the most reckless kind is now being made to submit to state regulation to be rescued out from

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qualitative degeneration and hidden costs of goods and services produced. These include, for countries like Bangladesh, degeneration of the quality of teaching and health care, deadly criminalisation of student politics holding educational institutions in hostage, growing adulteration of food and medicines, increasing resources and labour spent on safety of elite residences and offices (e.g. fencing and security guards) that represent compensatory spending rather than value-added, corruption in vehicle fitness tests giving licences to kill to defective vehicles, traffic jams of colossal proportions raising several-fold the time-and-fuel cost of transport, organised crime reducing the judicial system to impotence, etc. all of which together call for serious questioning of the meaning of GDP growth measures uncorrected for such negative factors.

the man-hole in which it has fallen. The global leader of capitalism is also ceding a lot of political and economic autonomy to other countries and seeking dialogues with its arch enemies, and even evoking collectivist values (community service by the youth) albeit without significant response. Its problems are compounded by impasses on the Al-Qaeda-Afghanistan question, the Israel-Palestinian crisis, the Iran nuclear technology question and growing tension with China. With China advancing in solid strides even through the global meltdown, and people voting left leaderships into power in Latin America and most recently the centre-left coalition in Japan with a leftist premier, it looks like the era of US ideological leadership in the world is setting. Whether capitalism of the US variety – as opposed to the emerging Chinese variety of capitalism under a ruthless ‘Communist Party’ (!) - will survive at all as an ideology of significance seems to be in deep question.

#### 4. The Bangladesh scenario, imperatives and possibilities

*“We are not being able to tackle the party’s inner instability...Let us downplay our personal interests and work for the country.”*

- Jute & Textiles Minister Government of Bangladesh (*The Daily Star* 20.12.09)

##### 4a. The superstructure

What is the equation for Bangladesh in this new and fluid global political-economy framework?

Bangladesh is a formal democracy without its leaders adhering to democratic values. Its major political parties follow the feudal practice of choosing their leaders by family heritage, and such leaders enjoy absolute powers in the parties. A ‘Caretaker Government’ presides over national elections because fair election is not expected under a political government.

Notwithstanding socialism as one of the four state pillars in the first constitution of the country, proposal for land reform from the first Ministry of Planning after independence was binned by the then government dominated by landed interests (*jotdar*’s). The nation quickly got divided into an ‘elite’ class and an ‘underprivileged’ class (see terminological

discussion in n13) with the former racing to embrace ostentatious consumption leaving the latter to struggle for survival. This served very well to provide on the one hand a market for conspicuous consumption goods of industrially advanced countries and on the other hand a supply of cheap labour for exploitation by global capital. Symbolically speaking, the country moved fast toward squandering scarce foreign exchange importing luxury cars, when China was riding the bicycle as its first step to becoming the economic giant that it is today, and India rode its own home-made modest car to develop its indigenous technological capability to produce its own 'green' cars today.

For international capital to come and exploit cheap labour of the country, however, Bangladesh had to offer 'good governance' by way of a stable political order and adequate law and order. This 'good governance' kept eluding the country. Its socio-political climate was fluid for the first few years after independence with intense passion of many quarters to move toward 'socialism' vis-a-vis *jotdars* controlling the government, and considerable underground activities of various radical groups to make the 'revolution' were known. The 'Father of the Nation' finally responded by dismissing democracy and announcing one-party rule toward some kind of 'socialism' with forced cooperativisation of agriculture, only to be assassinated by the right.

The question of 'Bengali' versus 'Muslim' nationalism was now brought to the fore, spraying the Muslim nationalist sentiment over the society. The society started getting bitterly divided as between the two nationalisms, and cadres in the Muslim nationalist camp, many of them armed, kept growing in number helped by outside finance. The divide in the society on this question has by now reached deadly proportions with the major opposition party holding hands of the 1971 war criminals and ascendance of Muslim fundamentalism in the society training and sending suicide squads to blow up secular political leaders and also secular cultural gatherings. As I have discussed elsewhere (Rahman 1994), this rise and spread of Muslim fundamentalism have in a large measure been possible by the failure of secularists either to bring the fruits of independence to the country's masses or to mobilise them for constructive nation-building which could be a fulfilling task by itself (Rahman 2004; 2007) despite their poverty. Unless the country is rescued from this deadly tug-of-war on the nationalist question, good governance in the country is a far cry to offer a safe enough

haven to foreign capital and for that matter for orderly path to any kind of development.

On the other hand, lured by liberalization-insisting international finance economic guardianship by the government toward any direction for the country's development totally disappeared. The country failed to develop a broad, diversified industrial as well as export base letting go its potential competitiveness in several sectors (Ranis 2007:30). Even garments exports have been sustained at high levels by quotas in the importing countries rather than by its inherent competitiveness. Notable progress in 'human development' is claimed, ignoring the alarming rise in corruption throughout the society and degeneration even of the teaching and medical professions (see n4). Overall the country attained global front-ranking in corruption accompanied by a high rate of out-flight of capital (Khan, Azizur 2007:51-53). Even the country's President as Head of the first Caretaker Government of 2007-2008 was visibly conspiring to rig the national elections and had to be stopped by the military with international backing and forced to instal a new Caretaker Government that took two years to give a new election after trying to clean up a lot of mess. The new election has brought back the pro-independence-struggle-secular party back into power without, however, appreciably reducing reckless corruption. The bureaucracy is sharply divided along political lines. Continuing barbaric actions of the student wings of the major political parties are holding the country's education system in hostage. Internal divisions within the ruling party as between supporters and opponents of the so-called 'minus two' formula and on the question of control of resources for local development are also causing inner instability within the party. And a number of the party's members including the Prime Minister are under physical threat from fundamentalist quarters. The superstructure of the country today, thus, is rather weak without a firm command over and rapport with the society.

#### 4b. The base

Devoid of state guardianship for any path of development the country has been experiencing non-spectacular (although accelerating) growth rates<sup>5</sup> with rapid rise in inequality of incomes (Haque 2004; Khan, Azizur 2006). Most among the masses in rural Bangladesh where close to 80 per cent of

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<sup>5</sup> See n4 for serious questions on the value of conventional growth accounting which apply strongly for Bangladesh..

the country's people live are struggling with inadequate means of livelihood in a situation of surplus labour in relation to immediate employment opportunities. Concentration of ownership of land has increased sharply<sup>6</sup>. For sheer survival a large part of the population are locked in a patron-client relation with 'maliks' ('masters') who rule in the villages through control over either land or water or technology or market or *mahajani* credit or some combination of these (Rahman 2007; Saha 2005 & Barkat 2008). This patron-client relation constitutes the political power-base of the 'maliks', reducing the operational meaning of 'democracy' at the base to 'semi-feudal' rule whether transparent ballot-boxed or not.

Furthermore, the human rights question is acute for certain sections of the population – e.g. several million 'untouchables' who are not allowed a cup of tea in the wayside tea stall in the village (RIB 2009); special categories of women like widows, abandoned or divorced females thrown on the streets with their children in acute economic insecurity and vulnerability to male lusts (Hossain & Chowdhury 2007); and victims of rape in the countryside subjected to public whipping or stone-throwing *for their inability to protect their own honour* (!) - a savage interpretation of Islamic culture. For such acutely socially oppressed or vulnerable categories of people the question of *human dignity* as provided for in the ILO's 'basic needs' concept ought to come first in assessing their 'poverty', and an income-index of such people's 'poverty' à la the World Bank is little more than cruel mockery.

However, with the 'malik's themselves in considerable disarray what with divisions among themselves as well as the threat from fundamentalist terror, a free-for-all environment exists in many parts of the country for almost any quarter to take some initiative of an economic development or human rights-promoting nature if it has the resources for this. Apart from individual government projects supported by foreign government and other agencies, and private entrepreneurship by moneyed classes national and foreign which have not been very widespread, 'development' of the country is left essentially to two forces: action by NGOs, and spontaneous initiatives of the underprivileged people themselves on their own or assisted by pro-people technical expertise.

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<sup>6</sup> 6.2 % of the country's families own 40 % of the country's land, and the proportion of agricultural land owned by 1 per cent rich land owners rose from 4.7 % in 1960 to 8.2 % in 1996 (Barkat 2008:5).

A bewildering array of NGOs operate in the country providing various kinds of services, developmental as well as social, a number of them doing micro-credit business of questionable merit (Ahmed, Q. 2007) more hailed abroad than within the country. Work of most 'development NGOs' seeking to promote overall economic lives of the 'beneficiaries'/'target groups' are of the 'delivery of development' type. Moreover, NGOs in this country (unlike in some African countries) have no accountability to the 'beneficiaries' thus adding to the country's 'democratic deficit'. Only a handful of NGOs are working to promote people's own awareness and initiatives without any funding support to them - *Nijera Kori* with its 'conscientisation' work generating both pressure-group and self-chosen economic initiatives of the underprivileged (Barkat 2007); *The Hunger Project* training 'ujjibak's (development volunteers) and, more recently, Research Initiatives, Bangladesh (RIB) which has introduced participatory action research or 'gonogobeshona' - promoting animation work with underprivileged people resulting in the formation of self-organisations and collective self-development activities of such people in several areas and is especially working with 'untouchable' and other so-called 'missing poor' communities to promote their human dignity and collective self-assertion (RIB 2009; Islam 2009). Following RIB *The Hunger Project* has also initiated its own 'gonogobeshona' work resulting in grassroots formations in several areas engaged in pressure-group as well as collective socio-economic activities (Mahmood 2007).

As for spontaneous initiatives by the underprivileged people themselves, commendable efforts of farmers to raise food output are widely acknowledged. Information on an impressive array of collective initiatives by underprivileged people with their own resources have recently been available (Tahmina *et al* 2008): Standing out among them is a local level 'agrarian revolution' of people's own conception in Maheswarchanda village in Jhainaidaha district initiated in 1996. This involved voluntary land redistribution by farmers, with land leveling and removal of boundaries for collective farming resulting in dramatic rise in farm production and earnings. This 'revolution' has also generated numerous other collective initiatives in the village (Mukta 2007). In all, collective initiatives of the underprivileged in different parts of the country include collective farming, fishery and livestock rearing; collective marketing of various kinds of products like fish, corn, chilly; collectively managed rice banks; collective procurement and installation of shallow pumps and crusher machines; organic compost making of landless groups; collectively managed consumer stores; thousands

of group saving and lending schemes; collective educational, library and health service initiatives etc. (Tahmina *et al op cit*; Barkat 2007: 362; Mahmood 2007).

Numerous instances also exist of pro-people agricultural expertise going to the people on their own initiatives or at the invitation of farmers to advise them on improving farm practices. An outstanding case of such technical service to the most underprivileged is one of an Agricultural Block Supervisor in *Chuhor* Block in Mithapukur Upazilla, Rangpur: on his own he visited the landless workers in his block door-to-door day and night to advise them on productive use of every inch of land in and around their homesteads by way of integrated vegetable, poultry and fish farming, and also on collective production and sale of organic compost fertilizers. This extraordinarily altruist expert service has generated a revolutionary upliftment of lives of landless families in the block and around it (Tahmina et al 2008:115).

The various instances of spontaneous as well as externally animated collective initiatives of the underprivileged “in the womb of the old order” that would perhaps have made Karl Marx very happy, and gonogobeshona-promotion work with underprivileged groups suggest a direction for the society to move toward equity and human dignity promoting development. They are showing, in particular, the possibilities of gain by way of collective economic and social action of the underprivileged classes individually unable to go far enough, with advice/assistance from pro-people technical expertise where technical knowledge gap exists.

#### 4c. The problematic of equity-promoting development in Bangladesh

In order for the country as a whole to move toward equity-promoting development major structural change with **agrarian-cum-aquarian reform** is necessary (Barkat 2008; Saha 2008; Khan, Azizur 2009).<sup>7</sup> This should include recovery of all land/water rights fraudulently or forcefully

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<sup>7</sup> This paper does not specifically discuss the urban inequality question in Bangladesh. However, a rise in rural income as a proportion of national income as should be expected from the measures suggested in this paper should have an equalizing effect on the overall distribution of income for the whole country (cf. Khan 2006:15). Furthermore, a thoroughgoing agrarian-aquarian reform in rural Bangladesh and stimulating mass-based rural entrepreneurship as proposed herein would keep more people in the rural sector with a favourable effect on urban wages by reducing rural-urban migration. State guardianship to promote small entrepreneurship in the urban sector as discussed in section 4c for the rural sector should also be provided.

appropriated by the powerful from powerless people and otherwise; distribution of all *khas* land and water rights to landless peasants and small fishermen including such rights fraudulently or forcefully appropriated by powerful people; appropriation of absentee-owned cultivable lands and their redistribution among landless peasants; deciding on a ceiling on land ownership and distribution of surplus land thus obtained among landless peasants<sup>8</sup>; recovery of land forcefully appropriated by the powerful for commercial shrimp cultivation ravaging the environment and habitats including livestock of the underprivileged; and reform of the system of sharecropping to give sharecroppers effective security of tenancy. This should be accompanied/followed, first, by a nationwide thrust toward spreading knowledge and experiences of improved farm and non-farm practices including integrated homestead-farm-livestock-fisheries production where needed and, secondly, on the management of collective initiatives – in production and marketing - of the underprivileged. For the latter an experience base has already been created in the country in the very many popular initiatives referred to above, and ‘people-to-people’ demonstration and learning from each other of such initiatives and practices is the most effective way of such ‘technology transfer’.

Secondly, a mass-entrepreneurship-based rural industrialization drive should be taken, accompanied by relevant technical extension work and training programmes as well as extension work to promote high rates of savings by the rural masses and investment thereof themselves with needed further credit assistance, to keep as much of the surplus rural man/woman power in the countryside for themselves to directly contribute to and share in the development process (a strategy particularly followed successfully in Taiwan - Jomo 2006:6; Khan, Azizur 2008:11-12). Encouraging manufacturing - cottage and small industries - along with farming in which women may also participate significantly should feature as an important component of such strategy of rural industrialization.

Finally, cooperative/collective initiatives ought to be actively encouraged and assisted with technical managerial and credit assistance as necessary. One reason for this is that many of the underprivileged will not immediately after agrarian reform possess sufficient assets and knowledge and skills themselves to move decisively forward with individual initiatives, and many

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<sup>8</sup> Saha has calculated that a ceiling of 7.5 acres would release 5.3 % of cultivated land for redistribution by figures of 1996 - small but not insignificant (Saha 2008:132).

new land allottees may again end up in deficit situations compelled to sell or mortgage their land to money lenders generating a recycling of the process of land dispossession unless they form collectives offering alternatives to thus losing their land.<sup>9</sup> The other, and more fundamental case for moving toward collective initiatives of low-income people is that there will be many areas of entrepreneurship offering benefits of scale not capturable by individual initiatives of such people and, instead of working as wage labour in such enterprises owned by the rich, collective initiatives in production and marketing by themselves, both of land and water products, will give them the surplus also from such entrepreneurship thereby contributing directly and significantly to development with equity.

Equity-promoting development in Bangladesh will also require upgrading the ‘capability’ of the masses by way of literacy, technical education and training including use of IT.<sup>10</sup> The nation has now a literacy method in its hands successfully field-tested in many parts of the country by youth volunteers led by ujjibaks of the Youth-ending Hunger Project (Tutul 2009; Raquib 2010), with which it can catch up with the Asian tigers in adult literacy in one-to-two years if a national campaign were launched (as discussed in Rahman 2010 c). Nijera Kori is launching its own mass literacy programme with this method in March 2010. The Prime Minister herself has declared on 26 March 2009 that the country would be made fully literate by 2014, but like on agrarian reform no serious step in this direction has yet been taken although the government has been approached for launching a national literacy campaign with the above method, calling into question the seriousness of such declarations. Action toward fast access of rural masses to IT is also needed for them to catch up and compete with the world and to move up faster. Groundwork in this direction has already been made by *Pallitathya Kendra* and *Community E-center works* of D-Net in collaboration with RIB (Hasan 2008) and UNDP (Mahmood 2008)

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<sup>9</sup> While cooperatives may not be forced on the peasantry, thought may be given in allocating land to giving preferential treatment to those landless who form a group for working together on land, form their own group saving fund, and adopt a policy of its members in distress mortgaging their land to the group as a body for joint cultivation until the loan can be repaid, rather than mortgage/sell land outside the group.

<sup>10</sup> The adult (15+ population) literacy rate in the country is variously estimated to be in the order of plus-minus 45% , one of the lowest in South and Southeast Asia comparable only with Nepal, even though the language movement was the main inspiration of the nation’s liberation struggle. And there are assessments that functionally useful literacy rate is much lower - 20 % in 2002 (Ahmed, Manzur 2010 citing research by *Education Watch*). See also Mamood 2006: 31-34 for evidence of “entry barriers to productive employment” for the unlettered rural population in Bangladesh so that rural development in the country is favouring the rural literate contributing to rural inequity. And, aside from the question of equity, “the world map of illiteracy is also the map of poverty” (Arnove and Graff: xii)

respectively. With all these, we are at the door of fast capability rise of the masses awaiting only a drive by the society's guardians which does not seem likely to be forthcoming.

In this connection it may be noted that much of the modern 'capability' discourse in the country and outside is being carried out without reference to structural reform which is a prerequisite for capability-raising measures to decisively promote development with equity as this requires adequate assets in the hands of the masses upon raising their capability. As evidenced in the South-east Asian countries which have not gone for structural reform, capability-raising measures without asset redistribution may not give decisive equity-promoting effects.

And alongwith such reform and measures to liberate and promote the creative energy of the masses toward equity-promoting development, the inhuman livestock-poverty-count, the dual of the ideology of 'liberalization' (of individualist greed), a historical scandal and sad reflection on the concern of economics for fellow human beings, should be dispensed with.<sup>11</sup> What is important is to monitor progress in terms of ameliorating gross economic and social deprivations and obstacles to people's creative actions, and assessing ailments/negative forces in the social body for corrective action. For this, a 'vector'(panel) indicator of the medical check-up type rather than a single-index indicator should be used (Haque *et al* 1977) so that the nation may not be passed as experiencing good health 'in the aggregate' even if it has malignancy creeping up that may eventually 'kill the patient'. And such indicator ought also reflect the human dignity status of special social categories like present-day 'untouchables' and specially vulnerable women.

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<sup>11</sup> As I have referred to in my past writings (Rahman 2006;2008), great humanist philosophers like Marx, Mao and Tagore never talked about poverty alleviation at all but about human beings being enabled and assisted to show their creative best. In the process mass poverty starts getting reduced, but many, many still die in poverty in the earlier phases of such new era, and many will continue to die thus, but may be fulfilled to have played their role in the history of human advancement, passing on the 'baton' to next generations with satisfaction in having done their own part in their own lives. From this point of view terms like 'poor' or 'target group' may not be used in development discourse. Calling them 'target groups', in particular, shoots something vital in the persons concerned. Even terms like 'underprivileged', 'disadvantaged' or 'dukhi manush' that I have myself been using are negative/ paternalist and ought to be avoided in favour of positive terms like 'socially challenged', to inspire one to show one's best creativity under any circumstances just as the term 'disabled' is being replaced by 'specially challenged'. I have not made this terminological switch in this paper as this may be too abrupt yet. But to ignore the contribution of every generation to human progress however materially resource-poor they are is akin to not remembering our scantily-clad freedom fighters who fought and died in the liberation war certainly not to be pitied as 'poor' but to be admired for what they have given to the nation.

It goes without saying that the role of the state has to be decisive, as it has been so in the concerned North-east Asian countries, in steering any country toward equity-promoting development. Such development cannot be attained in a free-for-all state, for the simple reason that those who are already ahead of others in terms of income, assets, access to world knowledge and experience as well as have access to the powers that be, have the requisites to run faster than others in a free-for-all situation. In particular, Bangladesh started its nationhood with little experience in entrepreneurship, not to speak of entrepreneurship by low-income people, so that like nursing a child toward adulthood competent, if necessary even tough, guardianship is needed to make the country a nation of skilled entrepreneurs able to compete with the world. Such guardianship should include e.g. assessing areas of competitive advantage for the country, arranging for training of potential entrepreneurs and labour power in these areas<sup>12</sup> in particular training of small rural entrepreneurs in both the technical and marketing aspects of entrepreneurship; granting to nascent enterprises sensitive infant-industry protection as needed strictly geared, however, toward making them self-reliant in reasonable time, etc. The development-with-equity miracle in those North-east Asian countries where this has happened rested vitally on such resolute guardianship. Imports of luxuries ought also to be controlled strictly, and such policy in Bangladesh shall perhaps require a social movement against ostentatious consumption to strengthen the hands of the government. Note also that state guardianship in the concerned North-east Asian countries had the services of non colonial rule-oriented bureaucracies, a factor that for Bangladesh calls for some service reorientation as well in addition to the question of political partisanship of bureaucrats.<sup>13</sup>

It should also be noted that, even putting aside Communist China, such guardianship in these North-east Asian countries has been ruthless (e.g. routinely suppressing labour protests) not consistent with democratic rule, whereas the equity record of the largest democracy of the world – i.e. India – is rather poor<sup>14</sup>. Whether and what kind of democracy can deliver equity-promoting development is a question to which there is no answer by

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<sup>12</sup> As was done by the 'Father of the Garments industry' Nurul Kader Khan by way of training several hundred garments industry hands in South Korea in the early 1980s.

<sup>13</sup> Foreign remittances will remain an anti-equity force to which an immediate answer is not seen.

<sup>14</sup> India's gini coefficient for incomes in 2004-2005 was 0.535 (Bardhan 2009). Note that lower gini coefficients for India – in the order of 0.4 (which still is high) - are generally cited on the basis of consumption rather than income data, explained by higher savings by higher income groups.

empirical evidence nor by formal reasoning, and it remains the challenge of democracy to provide a reassuring answer.

The present ruling party in Bangladesh has promised agrarian reform in its election manifesto, obviously assessing that this promise would get votes. But no move toward its implementation is yet visible. It should be obvious, from the nature of forceful appropriation of *khas* land and water rights earmarked for the landless as well as such appropriation, often barbaric, of land of weaker communities, adivasis etc. by powerful quarters, that genuine agrarian-aquarian reform in the country will require a government truly committed to equity-promoting development not existing in the country at the moment. International funding for large-scale projects also remains a strong leverage against reforms unfavourable with donors, and the party in power seems to be very keen for such assistance. All this means that addressing rural vested interest dominated governments asking for the needed reform is by itself of little value except for promoting social awareness and possible social mobilisation toward pressuring for such reform, so that such addresses should be part of a broader campaign for raising social awareness and public pressure in this direction. It should be borne in mind that agrarian reforms in the concerned North-east Asian countries were politically easier because of the defeat in World War II of Japan with its landed interests in three of these countries and victory of the communist revolution in China, while Bangladesh 'democracy' continues to be rural 'malik' dominated, and the needed effective social awareness for structural change is still far off.

One might have expected that the space that is open in the countryside and is seemingly further opening, should invite leftist forces in the country to go to the masses for extending living solidarity with them, assisting their socio-economic initiatives of a progressive nature and helping these spread further<sup>15</sup>. This could sharpen the social dialectics at the base and also raise the possibility of generating potential future political leadership related organically with the masses. However, the culture of left parties in Bangladesh as at present is oriented to giving protest leadership rather than living fellowship with the oppressed in their daily lives' struggles and initiatives, so that not much may be expected even on this front. One might also wish that a mass movement of scientific and technical personnel of the

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<sup>15</sup> What left forces in the country could do for the country to move, toward 'locally inspired socialism', a term coined by Late Columbian activist-sociologist Orlando Fals Borda has been discussed in a separate paper (Rahman 2010b).

country to go to the people, say of the ‘Kerala Science for Revolution’ type (Rahman 1984), were initiated by such body as the Bangladesh Economic Association or the Bangladesh Institute for Development Studies – but this is also perhaps wishful thinking as such social activism is not in the genre of mainstream professionals of the country.

But social stability may continue to elude us otherwise. I have been talking repeatedly of ‘the other half of the glass’ (e.g. Rahman 2006 & 2008), meaning those who at any given time themselves feel deprived of an acceptable share of ‘civilization’, i.e. not only those who remain below the ‘livestock poverty line’ but many, many more above this line – a question of human perception and not of arbitrary yardstick from outside. Many of these people will take the challenge and are so taking, to seek to move through their odds with human values. Many others will not, and are not so taking, and are seeking and will be seeking anti-social avenues to catch up with those much ahead of them. Even more alarmingly, many such people are joining and will join the ranks of religious fundamentalism, and incremental progress in poverty alleviation is no solution to growth of this super terror. This terror is penetrating deep into the base at the same time having its tentacles within the main opposition in the superstructure while the ruling party does not have a firm hold either of the base or of the superstructure. A decisive answer to the menace of fundamentalist terror does not also rest with the law-and-order machinery but in pro-people development<sup>16</sup>. For this alone, agrarian-aquarian reform remains the top imperative for the nation. A joint priority is a national literacy campaign to make the whole nation literate within a short span that is now possible, as a nation-galvanizing ‘second liberation war’ for which as said above the methodology now exists and the new generation of the country’s youth which has voted for the pro-liberation-war party in the last election looks ready. Such a campaign could stir the nation once more toward inspired social thinking and further action at the base toward positive change, to generate a new social environment with promising potentials<sup>17</sup>.

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<sup>16</sup> This is true also of the Pakistan crisis toady vis-a-vis Al-Queda and the Talibans – the answer to this crisis does not lie in sending more troops to the region but in land reform in feudal Pakistan to liberate the country’s peasantry from extremely oppressive landlord rule so that they would themselves want to fight, if necessary a people’s war, to protect their new-found liberation.

<sup>17</sup>The author’s detailed thoughts on this question are given in Rahman 2010c). 21<sup>st</sup> February is remembered every year for the sacrifices of the language movement martyrs that marked the beginning of our independence struggle. And yet 38 years after independence more than half of the nation cannot read and write in their mother language. Wouldn’t 21<sup>st</sup> February be much better remembered if on this day we could announce the launching of a national literacy campaign to make all citizens of the nation literate?

## 6. Conclusion

To recapitulate a few of the imperatives for equity-promoting development in Bangladesh:

- a. a state with a commitment to equity-promoting development;
- b. agrarian-aquarian reform;
- c. mass literacy campaign and drive to take IT to the countryside;
- d. active state guardianship to promote competent and competitive entrepreneurship of low-income people. This should include animation of group-based saving of low-income people; motivational and technical assistance measures to promote rural mass-based entrepreneurship; stimulation of and assistance to collective enterprises of low-income people; judicious infant-industry protection where necessary; and promotion of people-to-people development cooperation.

As discussed, the very first imperative is not satisfied in Bangladesh at the moment. The disconnection between the country's leadership and the natural aspiration of the masses for an equitable share of the fruits of material progress of the country they see every day living very next door of the dazzling display of elite wealth because of the country's population density, and with religious fundamentalism seeking to exploit this disconnection, does not augur well for the nation. A feasible mass literacy campaign is awaiting at the door but is also likely to be ignored.

Finally, one wishes that governments as well as economists respected agreements reached in UN bodies on questions like 'basic needs' and agrarian reform rather than follow dictates of international 'development' financiers with no sense of (non calorie-based) human suffering and aspirations<sup>18</sup>. The power of finance, however, is strong and may not be easily defeated without considerable social awareness raising and social mobilizing work. This should include turning the awareness of the 'civil society' as well as the media in this direction, which should not be easy. World leaders in the economics profession are also not emphasising the need for structural change. One would wish that at least the economics profession

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<sup>18</sup> After this paper was written Irene Khan presented the author with her book brilliantly articulating her thesis (Irene Khan 2009) that poverty should be analysed and sought to be tackled as a human rights rather than an economic question.

in Bangladesh would speak up clearly for equity rather than merely (livestock) 'poverty alleviation', recalling that the call for equity in development that gave us our nation was led by economists of this region, in a role that challenged received development thinking of the day and transcended professional economics embracing a deep social concern.

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