

# Bangladesh is not one of the world's poorest countries

DR. MAWDUDUR RAHMAN

**P**UBLICATIONS on Bangladesh by the World Bank and other agencies and organizations always say: "Bangladesh is one of the poorest countries in the world." (See World Bank reports on Bangladesh, IFAD Rural Poverty reports, National Geographic: MapMachine report, Agricultrists-Online, and UNCDF). But Bangladesh is not one of the poorest countries in the world as commonly characterized.

What is misleading in this statement is that the authors use only the per capita GDP as their criterion and tend to submit themselves to what we call "group think" or "perceptual defense." As you will see below, out of 232 countries we cannot classify all 198 countries which have lower per capita GDP than Bangladesh as the poorest countries of the world. Per capita GDP measures the distribution of GDP over the population. GDP per capita is not the only measure of economic performance of a country. In this short note I have used macro-economic data from available sources to show that Bangladesh's economic condition is not among the poorest countries in the world as is commonly assumed.

## Gross Domestic Product (GDP) and Purchasing Power Parity (PPP)

First, let us look at GDP and PPP adjusted GDP for Bangladesh for 2005. PPP adjusted GDP for Bangladesh is \$299.9 billion (estimated). World Factbook ranked 232 countries on PPP adjusted GDP where Bangladesh ranks 34th. Again, Bangladesh GDP in official exchange rate is \$64.8 billion and it ranks 57th out of 232 countries. Either by PPP adjusted GDP or by official exchange rate GDP it is not justifiable to classify Bangladesh as one of the poorest countries in the world.

The table below shows the PPP adjusted GDP ranks for six countries out of 232 ranked countries.

Let us look at the data from a

capita GDP	Ranks	Per
Bangladesh	34	\$2,100
India	6	\$3,400
Pakistan	28	\$2,400
Malaysia	40	\$10,400
UAE	6	\$29,100

different direction. Economists consider land, labour, and capital as three factors of production. Let us take land and compare productivity

**Political, economic and social corruption must be addressed at all levels. We need pragmatic and agriculture oriented plans and interventions introduced systematically and implemented earnestly. Otherwise, the poor continuously become poorer and the rich richer, with increasing debt burden and perpetuating poverty. Our 35 years of history does not tell a different story.**

of Bangladesh by the size of geographical area with other countries. For simplicity we took the size of geographic area as land. We computed GDP per sq. km for selected countries to compare the performance of Bangladesh. PPP adjusted GDP per sq. km are: Bangladesh \$2.08m, India \$1.1m, Pakistan \$0.448m, Malaysia \$0.755m and US \$1.3m. Bangladesh without question shows a very high productivity rate for its land. We should focus on this high productivity rate of land and people and capitalize on our strengths which lie in the rural economy.

In order to compare the productivity from a different perspective, I transposed the population density of Bangladesh for selected countries and computed GDP per capita for these countries with population density of Bangladesh. GDP per capita of these countries if they had the population density of Bangladesh are: Bangladesh \$2,100, India \$1,115, Pakistan \$484, Malaysia \$754, China \$842 and US \$1,281. Again, we can deduce that Bangladesh is a highly productive country.

**Revenue budgets for 2005**  
The World Factbook provided data for 2005 revenue budgets for 236 countries of the world. The 2005 revenue budget for Bangladesh was \$5.9 billion and it was a surplus budget. More than half of the countries (54 percent) had revenue budgets below the revenue budget of Bangladesh. Countries like Bahrain, Sri Lanka, and Jordan had budgets lower than Bangladesh. While the budgets of Sudan and Syria were \$5 to \$6 billion. Bangladesh's budget cannot be above 50 percent of the countries of

the world and be one of the poorest countries in the world. Out of 113 countries reported in the World Factbook, Bangladesh

ranks 56th in public debt expressed as a percentage of GDP (higher rank means lower debt). While Singapore ranks 113th and has the lowest public debt as per percent of GDP (1.2 percent). Many advanced countries have much higher debt percentages than Bangladesh (46.1 percent). For example, US's public debt is 64 percent of GDP, Pakistan's 54 percent, and India's 82 percent.

When we consider external debts, out of 207 countries US ranks second (first rank is given to the world as a whole) with \$8.8 trillion, Pakistan ranks 44th with \$39 billion, India ranks 30th with \$119 billion and Bangladesh ranks 60th with \$39 billion. It has been observed that, generally more developed countries have higher public and external debts. The economic expansions and political ambitions of developed countries beyond their means put the future of their children at risk who will eventually pay these debts. We should ask the same questions which are being asked in developed countries by concerned citizens before we plunge into more debt.

The above data and analyses show that Bangladesh is not among the poorest countries as is generally conceived. It is an efficient economic engine though it is beset with 1) corruption, 2) political mismanagement, and 3) misaligned economic emphases.

In spite of the rosy pictures I tried to paint, 82 percent of the people live on less than \$2 a day. (At the current price, I think \$3 a day per capita would be sufficiently subsistence level income for a rural family). The literacy rate is 43 percent and which is 32 percent for the female population. Sixty-three percent of the population is employed in agriculture and about 11 percent in industry (FY 05/06). This demographic data clearly indicates where our problems are and what we should emphasize. If I may, I would isolate three factors for our primary focus -- value added education, income distribution, and agriculture.

**Conclusions**  
Bangladesh dubbed as one of poorest countries in the world does not tell the whole story and solve the problems. Bangladesh showed

tremendous progress in all sectors of the economy. People look at the per capita income and presume a dismal picture. It cannot be denied that more than 80 percent of the people live in poverty. Ten percent of the population enjoys the quality of life of countries having per capita income of more than \$40,000 and 80 percent live with income less than \$600 a year.

The failure of the economy to bring the benefit to the poor is due to inefficient and ineffective government and incongruent external influence. For example, IMF on the one hand pressures the government to relax import controls and on the other asks to raise the diesel price. Unrestricted imports drain foreign exchange reserves for non-valued added luxuries and raising diesel price will increase the cost of agricultural production and reduce the firm income. World Bank and IMF are acting as double edged swords. We should work for market economy and not hurt the rural economy. In August 2003, the World Bank Group in Bangladesh has identified five key areas to reduce poverty and invigorate social development: 1) pro-poor economic growth, 2) human development through education, 3) women's advancement, 4) social safety net for the poor, and 5) participatory governance. On paper this looks very good, but in 2006 things remain where they were three years ago in terms reducing the poverty level of the poor. The economy instead of becoming pro-poor is increasingly becoming pro-rich.

**Some suggestions**  
Not all of my suggestions are new. What is new is the focus and re-examination of efforts and ideas.

- I think over-centralization and more focus on urbanization of the economy is hurting the pro-poor economic initiatives.
- We should change our focus from urban culture to agriculture and decentralize economic activities and government ministries to different districts and even at rural levels. This will reduce pressure on Dhaka and the adjoining areas and reduce concentration of economic activities at one place. Poor people from rural areas need not have to come to Dhaka for jobs and livelihood. True,

it will increase the cost of doing business for certain services and industries. We cannot continue to compete on low input costs we must also compete on high quality. Wages for Bangladeshi workers need not have to be one of the lowest. Export prices for Bangladeshi raw materials and wages are among the lowest in the world. The exportable raw materials are produced by the rural poor and the labor comes from the same source. If the input price is not adjusted to competitive prices the lots of rural poor will never get better. Free market policy will not help advance the economic condition of the rural poor.

- Try to make education value added for the rural people. Education today does not support the rural economy. The British education systems we inherited are geared towards creating clerks and bureaucrats. It may be noted that 80 percent of the people live in villages and 60 percent of the labor force work in agriculture. To support agriculture and rural people at least at the primary and secondary level education should deal with subjects teaching the tools and techniques of improving agricultural yields and marketing the agricultural products. Now education at the rural level is not valued-added to develop agriculture.
- Don't guide the planning efforts taking Bangladesh as one of the poorest countries in the world and pump money in the hands of the rich. It is to the advantage of stakeholders to keep the economic disparity so that more development funds and NGO funds keep coming.
- Foreign exchange earned by the rural people (expatriate earnings) should be spent for their benefit. By that the government does not have to restrict imports. To import luxury items the parties must earn their foreign exchange. Similarly, multinational corporations, like mobile phone companies, should not take foreign currency out unless they earn foreign currency.
- Finally, political, economic and social corruption must be addressed at all levels. We need pragmatic and agriculture oriented plans and interventions introduced systematically and implemented earnestly. Otherwise, the poor continuously become poorer and the rich richer, with increasing debt burden and perpetuating poverty. Our 35 years of history does not tell a different story.

Dr. Mawdudur Rahman is Professor, Suffolk University, Boston, MA.

# The big nuclear deal



PRAFUL BIDWAI writes from New Delhi

**T**HE euphoria among Indian supporters of the India-United States nuclear deal has not subsided even after Prime Minister Manmohan Singh's 9 page-long March 7 statement on the issue. The deal's American supporters are far more guarded. Undersecretary of State Nicholas Burns strenuously denies that it recognises India as a nuclear weapons-state (NWS).

The deal's US critics are more vocal than their Indian counterparts. They include significant sections of liberal opinion, such as that represented in *The New York Times*, which is alarmed at the agreement's likely impact on the global nuclear order. In India, the critics belong, barring a few exceptions, to the peace movement and the Left parties.

What does India stand to gain from the deal? Why did the US make a unique exception for India in agreeing to restore civilian nuclear commerce although India hasn't signed the Nuclear Non-Proliferation Treaty (NPT)? What is the deal's likely global impact?

The agreement does not cap India's nuclear arsenal. India will only offer 14 of the 22 power reactors in operation/under construction to the International Atomic Energy Agency for inspections to check that they aren't used to make weapons.

The other 8 reactors, two fast-breeder, and all dedicated military-nuclear facilities will remain out of the inspections regime. India can build any number of new facilities for military purposes too.

The power reactors exempted from inspections can annually produce 130 kg of plutonium-239 a year. This gives India the capacity to build 25 to 40 nuclear weapons a year, in addition to its existing stockpile, which is estimated at 100 to 200 bombs.

Such exemption is an achievement for India's nuclear policy-makers and managers of its nuclear program. They have made two nuclear-related concessions to the US. The safeguards will be in "perpetuity." India cannot take these reactors in and out of safeguards at will -- unlike the N-5 (the five NWSs recognised by the NPT).

India has also offered to permanently close down CIRUS (Canada-India Research Reactor-US) by

Washington's main motive is to co-opt an emerging power, gain entry into its sizable market, build a counterweight to China and Iran, and integrate India into its global scheme of things as a junior partner. However, "strategic partnership" spells erosion of many independent options for India. It should embarrass any self-respecting nation to be recruited as a Superpower's junior partner and allow the erosion of its own policy autonomy. But that's exactly what will happen.

2010, although it can run for another 10 or 12 years.

Yet, these concessions are minor in relation to the short-term "gains" -- US embracing India as a strategic partner, accommodating it in the global nuclear order, and offering to sell to it nuclear material. The Bush administration would have found it virtually impossible to "sell" the deal to the US Congress in the absence of perpetual safeguards.

Although the July text talks of India acquiring the "same benefits and advantages" as the N-5, India won't get that treatment. (Only 11 of the hundreds of civilian facilities of the N-5 are inspected by the IAEA.)

CIRUS was a product of Canadian design and US donation of heavy water -- conditional upon an explicit Indian commitment that the reactor's products would be used exclusively for peaceful purposes, a promise flagrantly betrayed by the 1974 blast. It's convenient for India to close CIRUS down and put a lid on its embarrassing past. India can easily build a larger reactor -- at a price, of course.

Besides recognition as a *de facto* NWS, India got guarantees of fuel supply too. Mr Bush took the high-risk decision to exempt from safeguards the 14 MW fast-breeder test reactor (commissioned in 1985), and the 500 MW prototype fast-breeder (PFBR), under construction.

US negotiators had ruled this out. But Indian nuclear scientists campaigned against their inclusion -- and succeeded.

Indian negotiators played their cards well. But we must ask what was their game. At its core is a cynical agenda: namely, legitimising the most destructive weapons known to humanity by sealing a close India-US strategic partnership. For 30 years, Indian policy-makers have craved US recognition of India as a "responsible" and "trustworthy" power.

India's nuclear-weapons status was the main obstacle to US recognition. Others -- Non-Alignment, and pursuit of agendas like a New International Economic Order, fair trade and debt forgiveness -- were gradually removed. Now, the final obstacle to a US strategic embrace has vanished.

Washington's main motive is to co-opt an emerging power, gain entry into its sizable market, build a coun-

terweight to China and Iran, and integrate India into its global scheme of things as a junior partner.

However, "strategic partnership" spells erosion of many independent options for India. It should embarrass any self-respecting nation to be recruited as a Superpower's junior partner and allow the erosion of its own policy autonomy.

But that's exactly what will happen. The Singh-Bush "Joint Statement" shows the US has extracted major economic and political concessions from India.

India is becoming complicit in US plans for Empire. Equally deplorable is India's sanctification of nuclear weapons. India is jettisoning a cause it championed for 60 years, to which Dr Manmohan Singh promised to return -- global nuclear disarmament. This will set a negative example and provoke a rethink in states that renounced nuclear weapons, like Germany, Japan, Sweden, Brazil and South Africa.

The deal will create resentment in Pakistan. This could intensify an arms race. China may try to scuttle the deal in the Nuclear Suppliers' Group (NSG).

What of the deal's civilian part? The last thing India needs for energy security is nuclear power, which is twice as expensive as electricity from burning coal, and many times more hazardous.

All nuclear power plants can undergo catastrophic accidents like Chernobyl. They produce wastes that remain radioactive for thousands of years. Building nuclear plants is like building houses without toilets. Nuclear power will make India more dependent on imports.

The deal, then, is a bad bargain. It's likely to face opposition from the US Congress. America's Eastern Establishment press and many Congressmen are against it. This became evident in Mr Bush's meeting with 14 lawmakers. With his acceptance ratings at a historic low (34 percent), Mr Bush may not be able to win Congressional ratification.

But Indian policy-makers haven't considered this. They have no exit clause in case the agreement is rejected by Congress. They could rue this.

Pratul Bidwai is an eminent Indian columnist.

# In quest of a credible election

AHMAD MAHMUDUR RAZA CHOWDHURY

**T**HE issue of reforms to ensure a free and credible election has brought the country to the brink of a deep political crisis. There was a confusion as to whether the agitating alliance was unwilling to participate in any election under a CTG headed by Justice KM Hassan or that their demand was for substantive reform of the CTG system. This doubt was removed after 14-party combine had unambiguously announced in their 22 November rally that nothing short of a total reform in CTG would be acceptable to them.

A series of actions taken by the ruling alliance from the very beginning of its assuming power have led people to discern the hallmark of a blue print that would eventually ensure its re-election, not through winning heart of the voters but through some cunning and surreptitious maneuverings. Immediately after the election of 2001, it may be recalled, a vendetta was let loose in the AL strongholds, particularly targeting the weaker community. Secondly, raising of retirement age for SC judges which fits into the calculus that the next CTG chief would be a BNP-beneficiary raised eyebrows of many. Thirdly, politicisation of Civil Administration and the judiciary was done in an obnoxious way. Shuffling in field administration surpassed all previous records. Through trial and error methods, several sets of officials have been lined up so that if one set is to be withdrawn on partisan charges there would be second and third lines of dependable persons available to man the posts. How many changes the CTG can make? The grand fessio of politicisation would pay dividend in one way or the other.

In recent seminars on fair election there were talks of replacing DC/TNO by District Election Officers or members of judiciary as returning officers. Being alarmed at this, the ruling party quietly inducted nearly 100 EOs, mostly drawn from the members of its students wing, the JCD. So if EOs are really given wider responsibility and power in

future to conduct the upcoming election then these stalwarts of BNP will secure posts at the ground level during election. As if it was not enough, the back up process was further fortified. Nearly a thousand police officers and intelligence men have been recruited through a controversial selection process. Their statutory training period has been shortened to enable their placement in police administration well ahead of election. Similarly, appointment of 200 magistrates is reportedly on the card. Under whichever administration the upcoming election is conducted, those thousand plus partisan police officers and other inductees will stay around the election booths playing decisive role during campaign and electioneering days besides already existing loyal guards in guise of government functionaries.

Past experiences suggest that the pattern of deployment of troops (police, special forces and military), polling officials and magistrates in days ahead of election do influence the voter turnout, voting pattern and result on the polling day. Politicisation of administration is being conducted in such a naked way that country's top civil servant, the sitting Cabinet Secretary, sitting judges and holders of statutory posts in Public Service Commission are now seen openly engaged in political campaign in their would-be constituencies using government outfits at their command. This has on the one hand demoralised the upright, non-political government officials while on the other hand further deepened the growing fear that no fair or credible election will be possible unless the CTG system and the EC are subjected to a thorough overhauling.

Euphoric optimism was echoed in days following the Chittagong Mayoral election. It was argued that if people were vigilant their verdict could not be snatched away by administrative manipulation or conspiracy. But in terms of reality this is a naive and too simplistic an approach. There is no scope for complacency. Remember the extent of vigilance exerted at each polling centre of Chittagong city and how the

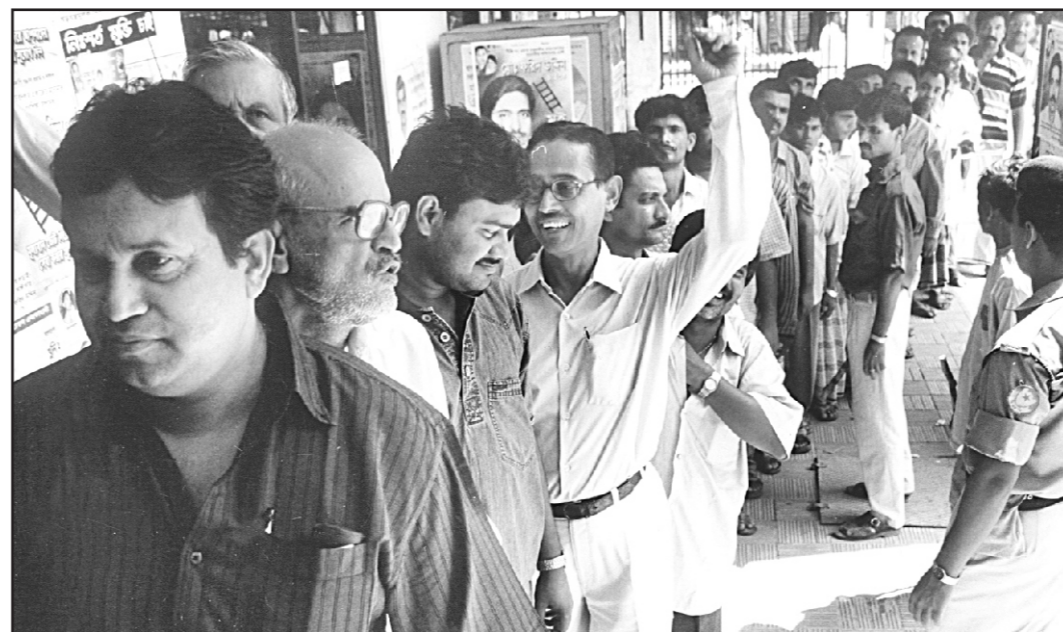
**As the crisis looms large in the horizon a clarion call has come from a person no less important than Professor Yunus. He is the person who made Bangladesh known to the world through his innovative micro-credit programme.**

**There may be scope for fine tuning or adding flesh to his ideas but we only hope that this initiative is not sabotaged by the political cliques, thugs and election engineers. There are not too many options left in present situation and we have already heard retorts from a top notch of the ruling party against his ideas.**

Election Commission headquarters at Dhaka was guarded by the opposition stalwarts on the day of election. It was an election involving Chittagong city only. Can such full proof vigilance be enforced when election in all 300 seats will be held on a single day at several thousand polling centres spread all over the country? It is an impossible proposition unless a staggered polling system is introduced.

The appointment of Justice MA Aziz as CEC and his erratic activities aggravated an already volatile political situation. Induction of two extra ECs with no known credible past at this stage has raised more questions rather than answering one. The PM in her last winding speech in the Parliament accused AL of appointing a "controversial CEC" without consulting them, then in the opposition (Daily Sangbad, March 1, 2006). Law Minister Moudud Ahmed also said, "No government has so far appointed Chief Election Commissioner or Election Commissioners in consultation with the opposition" (DS, January 25, 2006). These two statements do not reflect the whole truth and the record needs to be straightened.

There was an attempt to set a new trend. I distinctly remember that when CEC Abu Hena had resigned, the then PM Sheikh Hasina sent a letter to the leader of the opposition Begum Khaleda Zia inviting her for a discussion regarding appointment of new CEC. But unfortunately Begum Khaleda Zia turned down the offer. There was no constitutional obligation to consult the leader of the opposition. It was only a sagacious political gesture of Sheikh Hasina. On being rebuffed, MA Sayed was nominated for CEC and thus the prospect of a new



Exercising adult franchise: credibility mustn't be marred.

political culture of consultation with the opposition on issues of national importance was nipped in the bud.

Attempt to hold an international seminar on fair election by international agencies and development partners has been stalled by the government. Perhaps ruling alliance dreaded that it might sensitize the people's demand for a fair election. Recently, the visiting foreign dignitaries have expressed their concern and reiterated the crucial need for a fair and credible election on a level playing field. There were offers of mediation too.

The hitherto unveiled blueprint of election engineering suggests that mere perfunctory changes in CTG system at the top or a casual change of horses at the Election Commission are not enough to

ensure a free and fair election. The all permeating malignancy has trickled down the tiers to grassroots levels which cannot be cured by simple medication at the top. A package of overhauling is needed upon which rests the future of democracy in the country. In fact, the CTG system (Art 58) was incorporated overnight into the constitution in 1996 without giving enough time to debate and examine its pros and cons. This left scope for razor-thin manipulation which betrayed the very intent and philosophy of the CTG system. Now is the time to right the wrongs. Constitution is not anything ordained that cannot be touched.

An immediate dialogue between the government and the opposition to break the impasse is the call of

the hour. It can be held inside the Parliament or even outside. The PM has hinted at forming a committee with members drawn from both sides. Its details, modality and a time frame are yet to be known. Wisdom is not the monopoly of the ruling party. If politics is the art of achieving the possible then facts and rationality should prevail upon obstinacy. Any deceptive procrastination will only jeopardize the future of this fledgling democracy. The beauty of a robust democratic culture lies in regarding the leader of the opposition in the parliament as country's Prime Minister in waiting, a culture that has never grown on this soil.

A former PM of a vibrant democracy had once lamented at a relaxed moment, "In your country the gov-

ernment in power regards the opposition as enemy while in our culture we regard it as a mere adversary." Conversely, vengeance and mistrust is so ingrained in our national politics that we hear the PM labeling sedition charges against the leader of the opposition in public meetings while cases against self-confessed terrorists blasting bombs to unseat a legally constituted government are yet to be charged with sedition.

As the crisis looms large in the horizon a clarion call has come from a person no less important than Professor Yunus. He is the person who made Bangladesh known to the world through his innovative micro-credit programme. There may be scope for fine tuning or adding flesh to his ideas but we only hope that this initiative is not sabotaged by the political cliques, thugs and election engineers. There are not too many options left in present situation and we have already heard retorts from a top notch of the ruling party against his ideas.

We do not know when and how the desired reforms in EC & CTG will come. If it comes too late and in a too little form, the harm will be irreversible. A dispassionate look at the cobweb of events that have befallen us smacks of an impending misfortune. The engineering that has so far been unearthed is only tip of an iceberg floating on water.

Two scenarios may be contemplated. Under the first scenario: When all election engineering is completed, its nuts and bolts tightly fixed and controversial voter list finalised, the BNP and its allies in a show of magnanimity amends part of the constitution related to CTG and agrees to reconstitute the EC as demanded by opposition just few months before its term expires. It can blow trumpet by saying that opposition's demands have been met and there exists no more ground for the opposition to grumble. Then people at home and friends abroad will praise BNP for its magnanimity and ask opposition to go for election and refrain from creating any more fuss as their demands have already been met.

Then it becomes a situation of fait

accompli and getting redress in any higher court is not a very optimistic idea. In such a scenario how the opposition is going to react? If it goes for election it will only put its head into a well-laid-out trap which has been perfected through years of election engineering. Mass upsurge may be an option. But are the people prepared for it? Can the opposition leadership infuse the critical momentum needed to ignite a mass upsurge? One has to look carefully at the realities of situation at the ground level.

The second scenario: The BNP-led alliance quits anytime from now without amending constitution or reforming the EC structure. As per constitution the CTG will be immediately installed with KM Hassan as chief with its constitutional obligation to hold election in 90 days or 90 more days in certain special circumstances. In that case the opposition is left with two bitter options. Either give in to the fait accompli and participate in the election or boycott the election. The first option is close to the scenario described in above para. If the second option of election boycott is chosen, what is next?

Realities suggest that once in power through an election (though not participated by major political parties) the new government can cling to power by flexing coercive government machineries at home while placating foreign powers by giving them concessions in matters of their interest. There has been a paradigm shift in international relations and global partnership. The heavy weight foreign powers will be muted as long as their purpose is served, no matter who in power or how it came to power. Amid such a scenario can the spirit of 1996 revisit us in 2007? Each option has far reaching ramifications and carries an exorbitant price tag to be paid by our succeeding generations.

Ahmad Mahmudur Raza Chowdhury is a former Additional Secretary to the Government. (Any comments to: rcmahmud@yahoo.com).