

Restoring Justice to Development

The Challenge before the Economists of Bangladesh

As we enter the new millennium it is becoming increasingly evident that the development agenda of the eighties and nineties, built around the so-called Washington Consensus, was a failure. The world is today a more unequal place and developing societies are more polarised than they were two decades ago to the point where nation states are falling apart before our eyes.

(This is a slightly abridged version of the paper the author presented at the 13th Biennial Conference of the Bangladesh Economic Association.)

I will attempt to address the serious limitations in the development discourse, which underlie the failure of policy. This discussion set will lay the groundwork for posing a set of academic challenges to the economists of Bangladesh, which would enable us to provide more relevant policy advice to the policymakers and people of Bangladesh which would equip them for survival in a fast globalising world. At the core of this challenge to the economics profession, not just in Bangladesh but globally, lies the task of restoring justice to development. It is argued by me that it is the element of injustice which has emerged as the most significant by-product of our development agendas of the last two decades. It is this inability to infuse justice into our development concerns which has perpetuated poverty, compromised our development potential, divided our society and undermined the sustainability of our democratic institutions. The process of globalisation is likely to accentuate this injustice and further polarise our society. Unless we as economists can make an effective contribution to the process of restoring justice to Bangladesh's development agenda our relevance to the emerging concerns of the people of Bangladesh would be marginal.

The evolution in development strategy: In order to contextualise the significance of establishing justice as the dominant goal of development we need to undertake a brief tour of the intellectual history of development. It may be observed that over the last four decades the development discourse has evolved through several stages. The 1960s, was the era of state-led growth which remained indifferent to distributive or democratic concerns. This was the era of the modernising generals on horseback, captured in the writings of Samuel Huntington, whose concept of strong, unrepresentative rule, reformed the military-led regimes of Ayub Khan in Pakistan and those who followed him such as Park Chung Hee in South Korea, Soeharto in Indonesia and the general's of the Brazilian junta, as the prime movers of modernisation. These generals were expected to pull backward post-colonial states into the 20th century and put to rest the woolly-headed *fabianism* of the first generation of liberators of the colonial countries.

Yahya was the first of these developmentalist generals and the late Mahabub Hossain was in his earliest career, one of the philosophers of that era, which is captured in his book on *Strategy for Economic Planning in Pakistan*. Gus E Papanek also wrote a book on the AYUB era on the basis of his association with the Harvard Advisory Group, who, working very closely with the Pakistan Planning Commission, made a defining contribution towards articulating the philosophy of that particular era in Pakistan's development. Papanek coined the term "the social utility of greed", which premised the development philosophy of the Ayub era.

That whole era of the 1960s was predicated on the principle of trickle-down growth. Unfortunately, that trickle-down didn't trickle far enough down or fast enough. As a consequence states such as Pakistan paid the ultimate price through the fragmentation of the nation state and the emergence of an independent Bangladesh. For what was left of Pakistan, the emergence of Zulfikar Ali Bhutto and his assault on the 22 elite families of Pakistan in the first phase of his regime in the 1970s was the culminating nemesis for a growth-focused development strategy with such inequitable and lethal outcomes. The liberalisation development strategy incorporated in Bangladesh's First Five Year Plan should, in part, also be seen as a reaction to the inequitable development strategies of the 1960s which originated in the compulsions of the Pakistani ruling elite. It needs to be recognised that the development agendas of both Pakistan and Bangladesh in the 1970s, whatever might have been their outcome, did not grow out of an intellectual void but originated in the specific experiences of the 1960s which had culminated in the disintegration of the Pakistan state. In its historical context, Pakistan must, thus, be recognised as the first failed state of the post-colonial era. We may keep in mind that behind every failed state lies the failure of a development philosophy.

Bangladesh's development philosophy in the 1970s was not unique to ourselves but was part of a global development agenda which had emerged as a reaction to the perceived inequities, both national and global, of the sixties. The 1970s was, thus, the era of state-led distribution-oriented policy agendas which extended across the planning agencies of the Third World. In the global arena we may remind ourselves that this was the period where the advocacy for building a *new international economic order* within the global system was most strident. The policy discourse of the 1970s sought to redistribute global power, contain the economic power of local elites, meet the basic needs of the poor and usher in an era of growth with poverty eradication.

The many limitations of the strategy of the seventies, including the failures of the state as an instrument of development which could deliver on its promises or be participative and accountable, lay in its inability to more effectively harness the forces of the market as an instrument for development. The melancholy outcome of the policies of the 1970s, aggravated by the inflationary effects of the energy crisis, culminated in the Reagan and Thatcher era of the 1980s. The philosophy of that era was captured in the *Washington Consensus* which sought to elevate the market into a holy writ. This commitment to market fundamentalism, recently formalised in the program of structural adjustment reforms (SAR) and the economic stabilisation, which were presented to the world by the Bretton Woods institutions (BWI), the World Bank and the IMF who emerged as the high priests of the market. They used their conditional loans over the decade of the 80's and 90's to the developing and transitional economies as a political instrument to propagate the philosophy of the *Washington Consensus*.

The era of the 1980s sought to restore economic growth to the pedestal it occupied in the 1960s. But this time around such a growth process was designed to be driven not by the state but by the market operating through private entrepreneurs. It was presumed that an allocative regime, governed by the market and an unleashed private sector, exposed to global incentives through the process of trade liberalisation, would significantly alleviate poverty. This was trickle-down economics mediated by the market. In the state, as in the sixties. The World Bank's 1990 *World Development Report*, which focused on poverty, was the defining philosophical statement on this strategy. In practice such an exclusive philosophy elevated greed and private accumulation into a politically respectable agenda. Such a narrowly focussed, selfish, agenda empowered an affluent minority, accentuated polarisation within and between societies across the world, contributed to the deaccumulation of social capital and the weakening as well as delegitimation of the state. We are still facing the consequences of that era.

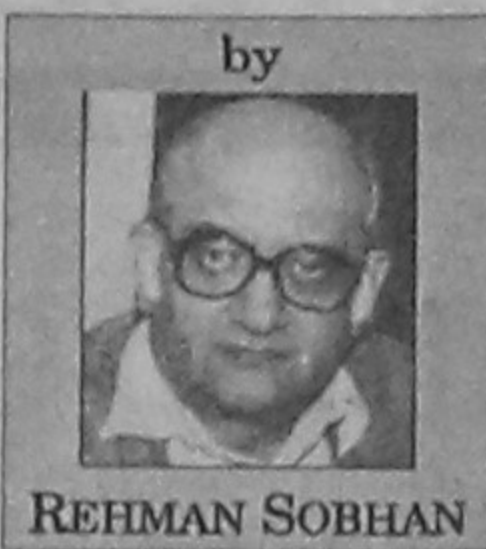
Human Development, which had just begun to make its appearance with the first *Human Development Report* (HDR) launched in 1990 by UNDP, was a reaction to the conspicuous limitations of the structural adjustment reform agenda of the eighties. In response to the HDR the World Bank sought to take the issue of human development and poverty eradication on board by accommodating it as a postscript to the SAR to deal with the excesses of the market. As a result of this attempt to humanise SAR the phrase "safety nets" entered the development vocabulary. Obviously, the poor needed to be saved from the consequence of successful reforms!

New paradigms for old?: As we enter the new millennium it is becoming increasingly evident that the development agenda of the eighties and nineties, built around the so-called *Washington Consensus*, was a failure. The world is today a more unequal place and developing societies are more polarised than they were two decades ago to the point where nation states are falling apart before our eyes. The concept of the failed state has formally entered into the political discourse though Pakistan in 1971 had given us a preview of this phenomenon. Poverty levels remain unacceptably high across much of the developing world. Only today the poor coexist with a small globalised elite in the third world, whose lifestyles have merged with those of their counterparts in the west. The expectations of this elite, their search for security, their investment portfolios, are all globalised.

The Governments of Bangladesh (GOB) over the last two decades appear to have demonstrated an inadequate intellectual appreciation of the serious limitations of the reform agenda which has been imposed on our development partners (DP) on three successive regimes since the 1980s. Nor does the GOB appear to appreciate the full significance of the globalisation process for the future of Bangladesh. Indeed, our political leadership has demonstrated an inadequate commitment to address the implications of this process, not just for the sustainability of our economy but for our rather fragile political institutions.

The persistence of poverty and the accentuation of inequality, without even the leavening impact of sustained economic growth of a East Asian level, has inspired the desperate search for a more inclusive development agenda. The failures of the reform agenda of the eighties and nineties are now, somewhat disingenuously ascribed by our donors to the failures of governance. Misgovernance, in contemporary parlance, includes everything from lack of accountability and transparency to growth of corruption as well as the lack of participation of the poor in making policy. A more recent entry into the governance discourse draws on the erosion of domestic ownership over the making of policy, as a consequence of the conditional lending inspired by the Bretton Woods institutions to realise their programs of structural reforms, has contributed to the weak outcome of SAR programmes. The fact that some economists in Bangladesh and elsewhere had for the last 15 years, been questioning the hegemonic role of donors in national policy design appears to have been conveniently overlooked by the donor agencies.

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the primary goal of development and that good governance will be critical to enable us to realise this agenda. This rediscovery of the importance of poverty and governance says nothing about the linkage between the past era of structural adjustment with the new prospective agenda. Nor does this discourse address the contribution of an earlier generation of policies to the perpetuation of the problems we are trying to correct today.

It is argued by me, in my presentation before you today, that this pastiche of development fashions which attempts to cobble together the *Washington Consensus* with the agenda of human development, the commitment to end poverty, realise democracy and practice good governance, may be as doomed to end in tears as did its predecessors. Perhaps more so and with more serious political consequences because the earlier development design had a certain internal coherence to it which was captured in the success stories of the East and South East Asian states who were seen as the most successful economic reformers of the eighties.

Since the problems associated with earlier and more recent development strategies originated in the noninclusive nature of the development design and process, this search for success stories which survive into the next decade may remain elusive. Today's development fashions have sought to address this major omission in the discourse by talking of expanding the capabilities and broadening the choices of the poor through raising their educational and health status, giving them credit, even land, consulting them in the design of development policies, making policy-makers accountable to stakeholders, and, above all, empowering the poor, the new buzz word of our times.

Restoring justice to development: Not much may, however, emerge out of these agendas if they do not come to terms with what really went wrong with the earlier generation of policies. All these exercises still see development policy as a positive sum game played out in a sociopolitical vacuum. Whatever may have been the success of market-oriented reforms in recent years, we have observed before our eyes, that economic and political power across the Third World has been increasingly concentrated within an elite. These new coalition of forces, which were effectively consolidated over the course of the 1980s, have contributed to the perpetuation of an unjust social order which is what characterises Bangladesh, South Asia and indeed much of the Third World today, including the contemporary 'success' stories.

The failure of successive generations of development policy to eradicate poverty and build a more inclusive development process thus originates in the incapacity of the policy discourse to come to terms with the new realities of power which have sharply polarised societies and marginalised the issue of justice from the development agenda. It is argued that successive attempts to tackle poverty have seen such interventions largely as an exercise in delivering resources to the poor either by the trickle-down route or through the contemporary approach of targeted development. This approach was grounded in the compulsion to bypass the issue of power and justice by treating poverty eradication as a painless positive-sum game.

However, it is argued again that poverty originates in injustice rather than the poverty of resources. This injustice is not the result of random events influencing the life chances of particular people. Nor can injustice be addressed in terms merely of widening capabilities and choices since both capabilities and choice are themselves constrained by institutional structures designed to perpetuate this injustice.

Injustice is institutionalised in the social, political, legal and economic structures of our society. The policy regime of the last two decades has reinforced these inequitable structures and re-legitimised them by elevating the values of individual accumulation into a dominant value. Unless we can address both the philosophical and the institutional foundations of injustice, we may be doomed to move into the new millennium with an order which compounds injustice in the name of poverty alleviation.

Whilst injustice permeates every part of the fabric of Bangladesh and indeed South Asian society, I propose, in the remaining part of my presentation, to briefly focus on five institutions which I see as important in perpetuating injustice. These institutions have contributed to the emerging polarisation between a narrow elite and a deprived major-

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ity, as well as between men and women which constitute the two strands of the injustice which pervade Bangladesh society. The five institutions which I will examine as the sources of injustice in Bangladesh cover the market; the social structures, with a specific focus on what we now define as human development; the institutions of democracy; the institutions of the state; the global order and the process of globalisation. I will briefly discuss each of these institutions to establish the structural properties of injustice. I will locate this discussion largely within the Bangladesh context, but much of the argument has a certain universal relevance.

Injustice in the market place: Let us look at the market, not as we read about it in our textbooks or in the earlier incarnations of the World Development Report before it discovered poverty and governance but the market, naked in tooth and claw. Literature on market failures has of course evolved from the theories of imperfect competition but this has moved on to cover incomplete and even missing markets. I don't propose to go down that road. As far as Bangladesh is concerned, we see markets as social rather than economic institutions which play a legitimate role because we cannot escape from markets as Amartya Sen has pointed out in his new book on *Development as Freedom*. Markets provide the mechanism through which we communicate with each other in the process of exchange.

However, the market, as a social institution, is the reality which we have to face. In these markets which perpetuate injustice because they themselves remain uncompetitive. We recognise, in the Bangladesh context, that the operative issue is not whether market forces exist but who controls the market, who participates in it and on what terms.

These imperfect markets, derive from unequal access to the market in every area from information, to assets, to credit, to education, to health care. For example, in our society we don't just have unequal access to information, we have illegitimate access to information built around the capacity of particular groups of people to use information as a private resource, usually feloniously acquired. Today privileged knowledge of a public tender, of trading on the stock market, emerging shortages or even the residential phone number of a Minister's PA, is a potential market opportunity for some favoured person.

The deprived in our society are victims of the market. If they are producers they are also price-takers. They provide goods and services on inequitable terms, both at the national and the global level. Over the course of the twentieth century the jute growers of Bangladesh have been victims of the market and have remained mired in poverty over several generations. For these millions of jute growers life has been lived on an escalator for their fortunes rising and falling with the vagaries of the global market. Over the last quarter of this century, the livelihood of jute growers has been exposed to secular decline as the global market for jute has atrophied. But the prevailing social order has done little to re-equip these poor jute growers to cope with this transformation in their market-driven fortunes.

We live in an era of hierarchical markets where, if we look at the vertical integration of markets, we will see the distribution of returns within this hierarchy of markets between the grower who produces a small crop of paddy and the final retail price of rice paid by a consumer. If we look at a microcredit beneficiary who may buy a cow with her credit and produce a few litres of milk for sale in the local market, we may observe that she is compelled to sell the milk to a local milk trader who is part of a distribution chain within an inequitable market structure where the main returns are appropriated along the chain. In such a market regime it may be noted that BRAC, following on the success of the Amul Dairy Co-operative in India, has followed the logic of the market by setting up its own milk processing facility to serve its micro-credit borrowers. This BRAC facility, now buys the milk from BRAC and other micro-credit borrowers at more remunerative prices than offered by the local traders and adds value to their produce by processing the milk and retailing it as pasteurised milk in the urban centres. Such an intervention by BRAC in the milk distribution chain provides and gives a better return to the poor borrowers to whom BRAC gives credit. BRAC is expected to make the milk providers into equity stakeholders in this corporate entity for processing milk so that these micro-borrowers will eventually supplement their incomes from corporate dividends which originate from the initial act of production.

The main problem with the working of the market, thus, arises from the unequal participation of the poor in the marketplace. The poor participate in an unequal market for knowledge. They participate in an unequal capital market. The failure to treat microcredit as part of a broader capital market and to treat micro-credit as a side activity is a very critical element in the failure of the capital market. It wasn't the market which in fact gave the world microcredit, it was socially com-

mitted individuals such as Mohammad Yunus and Fazole Hossain Abed, who set up institutions to deliver microcredit to the poor as a gesture of social commitment towards improving their lives. No private banker was willing to risk their capital to service micro-credit borrowers nor are they willing to do so even today, after the credit-worthiness of these borrowers has been established across South Asia.

Again, we need to take cognisance of unequal labour markets where accessing a job is itself a social privilege rather than an economic right. We need, here, to address the issue of inter-linked markets where each of these different, inequitable market structures reinforce each other to create a system of unjust governance and dependency within the prevailing social order. In such an inequitable system some people can use their command over capital, over land, over access to official patronage, to influence contractual terms in the labour market. These elite, can use their market power in one market, say credit, to obtain sub-market priced labour in another market, or can use command over both markets to elicit unfree services in the political market.

Inequitable social structures: In order to address inequitable social structure we focus on the institutions of human development. There are, of course, other very important social structures which remain fundamentally inequitable but these deserve independent address outside this paper. In the area of human development we will focus on injustice in the education and health care system. If we look at Bangladesh's educational system, it is profoundly unjust and perpetuates injustice. Here I think there is a very serious limitation in the current agendas of human development. We tend to see human development as the broadening of opportunities through the expansion of education through improved budgetary allocations to this sector. The metric of achievement that we put on the table is the level of literacy realised in a particular society.

1. on the other hand, view budget allocations for primary education and literacy as a necessary but far from sufficient condition, because what is happening in Bangladesh today is a progressive polarisation in the systems of education. In such a context I see the educational system today, as the perpetrator of social injustice and its institutionalisation. We are, today, witness to a system of expanding public education, through higher allocations in public budgets, in real and relative terms, to education which has substantially expanded enrolment of boys and girls in our schools. However, this, positive development has moved in tandem with the progressive privatisation of education as well as globalisation of educational opportunities for the elite of Bangladesh.

The elite of Bangladesh rarely send their children to state primary schools set up through the expansion in the educational budgets. They send their children to private schools which are now being further differentiated from public schools through the increasing tendency of the elite to send their children to private English medium schools. Parents from the upper brackets of the elite are increasingly sending their children abroad. This means that we are now creating two societies polarised by education, and this is having a profound impact on the life opportunities which are available to different echelons of Bangladesh society. While we take comfort in attaining universal literacy and universal primary education, our societies are going to be run by the graduates of the private schools and those who return with their foreign degrees, not by those who have emerged through an expanded public system of government primary schools. Similarly, we have evidence of significant gender disparities in the education system. Whilst the significant expansion in the enrolment of girls in the school system is a most promising development their access to professional and technical education is likely to perpetuate gender stereotyping in their participation in the labour market.

If we look at the health-care system, here again we observe a polarisation of health-care where the growth of high quality private care coexists with the expansion of public health budgets. This private health care system is again serving to build a dual society with an elite who have opted out of public health care to seek their care in the private sector and if they are affluent enough, to seek it abroad. This dualised health care system again impacts on levels of security and insecurity, it influences life chances amongst households, and it perpetuates the notion of two societies within one country.

There is again a gender dimension to this dualised health care system. Research has already established that in Bangladesh's households women are the last to eat and get the least to eat. Women are also the last to go to hospital. We have done some good empirical research on this in Bangladesh which indicates that, in practise, women have to be exceedingly sick before they tend to be admitted into hospital by their household. This tendency provides some explanation for the relatively higher mortality rates for women compared to men when they do get admitted to hospital (Ref. forthcoming CPD publication by Dr. Khaleeda Nazreen). Taking this argument forward it is arguable that what was seen as the gains of the agenda of human development have in practise, become a source for perpetuating injustice.

The institutions of democracy: The promotion of democracy is, today, universally recognised as an absolute value. For many, including the U.S. State Department, democracy is basically seen as the right to vote and hopefully to exercise that right without anyone holding a gun at your head. Unfortunately, the reality of democracy in Bangladesh is that it has increasingly become a rich man's game. I emphasise the term rich 'man', not rich 'woman'.

We remain witness to the escalation of the role of money in politics, the emergence of politics as an instrument for business, and business as a source of entry into politics. It is no accident that 75 per cent of the elected representatives of Bangladesh today now classify business as their primary or secondary occupation. This process demonstrates a defining measure of exclusion of the poor and women from our representative institutions.

We are also witness to the progressive criminalisation of Bangladesh and indeed much of South Asia's politics. Dependency on criminal services have now become an important ingredient in politics where money is invested to buy the services of criminals to help a candidate get elected to various levels of representative institutions. Wealth and crime now happily coexist. Criminals, have recognised the value of their instrumental role in pushing people into parliament and are now seeking to enter parliament themselves.

Agendas of decentralisation are themselves compromised by the fact that those who are to legislate decentralisation are themselves inimical to surrendering the necessary power and patronage which goes with this process. Neither bureaucrats nor national parliamentarians are at all supportive of decentralisation, and when they do move into local politics, this lower echelon of politics itself becomes a subsidiary conspiracy of local politicians and state officials, to manipulate the local government machinery and appropriate resources placed at its disposal.

In the above political context civil society in Bangladesh, remains perhaps, an important hope. Unfortunately, the emergence of a spontaneous civil society, derived from a sense of motivation rather than an institutionalised civil society, has, become part of the problem.

The state in Bangladesh: The allocative choices of the state ultimately determine what happens to the agendas of poverty alleviation and human development. Unfortunately, after all these years, we have no macroeconomic policies to underwrite these agendas of poverty alleviation, which, thus, remain basically micro-exercises. As a result, we have a state, whose allocative decisions tend to be inspired by the influence of powerful pressure groups on the state. In Bangladesh these groups include the public employees, the military and the holders of public debt, foreign and local. The principal claims on the Bangladesh state's budgetary priorities originate under the heads of *wages and salaries to public employees, the defence budget and payment of interest on internal and external debt*. If the state spends three-quarters of its budget on just three heads in order to accommodate specific constituencies, where are we going to generate domestic resources for the poor?

In such a constrained allocative regime system, we have to address the notion of the captured state which has today succeeded the strong state of the sixties and seventies. We now see the state as a captive of interest groups, of the rich, of the special interest groups and of institutionalised collectives of state employees.

We also have to take of the collusive state, which manifests itself as a conspiracy of politicians, bureaucrats and the armed forces to dominate the state for private gain. We thus need to view the state as a privatised state, motivated by commercial enterprise. We have to eventually view the state as a de-legitimised state which has lost faith in itself, just as people have lost faith in the state.

Finally, we see the state as captured by donors. An agenda of conditional lending has now led to a serious erosion of the capacity of the state to assume ownership over its own policies. A rediscovery of ownership by the donor community, as a central element of the development discourse, is welcome but may well be too late to recapture lost ownership. In any case the donor's agenda to promote policy ownership remains too uncertain to have an impact and suffers from a serious degree of dissonance between the new vision enunciated in 1818 St. Washington DC and the field officers of the World Bank in Dhaka or Kathmandu.

Finally, we need to address the innocence of political economy in the contemporary discourse on the state. At the end of the day, when one talks of empowerment, we should recognise that this also implies someone else's disempowerment. Somehow we tend to think of the process of empowerment as a positive sum game, but unfortunately that is not the way the game is played in Bangladesh or much of South Asia. There are some very dangerous and tough people who exercise

power and influence in Bangladesh as in various other South Asian states and anyone who is engaged in trying to disempower them in order to reempower the poor is going to face some quite serious problems.

The process of asymmetrical globalisation: it needs to be recognised that the globalisation process impacts differentially on the elite and on the poor which makes globalisation an incomplete process. Thus, the rich operate in an integrated market for capital and commodities which enable them, if it suits them and the relative interest rates so dictate, to switch their money from Mexico to Wall Street or from Dhaka to Thailand.

On the other hand, the poor are more likely to participate in the globalisation process as illegal immigrants whose concerns are less likely to be discussed in meetings of the WTO but is being discussed by *Interpol* or by the Immigration authorities. In this system of global market integration, the idea of global labour mobility being seen as a part of a criminal conspiracy rather than taking the process of globalisation to its logical conclusion, is a measure of the unjust and hegemonic nature of the discourse on globalisation.

Finally, of course, we are witness to the globalisation of financial institutions. We do not need to revisit the fertile debate on what an asymmetrical system of financial globalisation did to the flourishing developmental success stories of Southeast Asia. Suffice it to say that globalised financial flows are characterised by unequal capital flows which tend to end up in a few developing countries. These flows tend, in no small measure, to be driven by the laws of the casino rather than the laws of economics. Such random flows of capital are contributing to enormous social and economic instability in developing societies exposed to such flows which eventually impact on the poor of these countries.

It is fallaciously assumed that such a globalisation process is likely to be friendly to the process of democracy in societies exposed to autocratic rule, as in Indonesia. Unfortunately, what has happened today is that policy-makers in Bangladesh, Indonesia, Brazil or Thailand end up serving two masters. The dominant master is the global marketplace which compels their policy makers to formulate monetary policies on terms which are likely to attract speculative capital inflows in the form of portfolio capital into their country. In contrast, the people who elected these policy-makers to office to generate jobs and economic opportunities are told to keep their expectations in abeyance whilst elected policymakers subordinate national agendas to the dictates of the IMF and the capital market.

The Role of Economists: In the light of the visible limitations which have been exposed in the state of development economics and policy making a major challenge lies before the economists of Bangladesh. Within such an inequitable globalisation process we need to restructure the global and national order to a point where we can restore justice to development. This remains the task that must lie before the economists of Bangladesh as they enter the new millennium. As our point of departure we need to recognise the injustices which characterise Bangladesh society as well as the global system. We cannot assume away these injustices by elegant writing and good rhetoric. This is the reality we live in. We thus, have to find out how to make global and national markets more equitable and participative.

I present before you a set of issues which demand urgent address if you are to play your role in helping Bangladesh to build a more inclusive society and prepare it to face the challenge of globalisation. I present below an agenda of work for the economists of Bangladesh over the next decade.

1. What can we economists do to make the deprived segments of Bangladesh society into more competitive players in the marketplace? Can we design policies and institutions to give them a stake in the development process? Can we actually find ways to relocate productive assets with the poor? Can we reopen the issue of agrarian reform to see how the landless can be given tenurial rights on the land they cultivate?

2. Can we design financial instruments which give the deprived sections of society title to corporate wealth? Since most of the accumulation of wealth in Bangladesh tends to be leveraged by financing from state institutions, we may explore policy instruments that make it possible to use state resources to leverage buy-ins by the poor into particular corporate entities competing in global and national markets. Furthermore, we should re-examine the scope for securitising the very marketable assets of micro-financial institutions in the global marketplace and to thereby broaden significantly the financial capacities of our micro-finance institutions.

3. As part of a process of locating corporate assets with the deprived segments of society we should explore the possibility of making workers in both the public and private corporate sector, into equity stakeholders in the companies where they work. Thus, for example, in the Ready-made Garments (RMG) sector, where the bulk of the value addition originates in the labour of its workers, mostly women, we need to work out the modalities and implications of elevating these workers into equity shareholders in the companies where they work.

4. I would again suggest to my fellow economists that we study the pathology and dynamics of our commodity markets to enable us to devise ways for restructuring these markets so that if farmers are blessed with a bumper crop they don't go bankrupt, because of a crash in post-harvest prices? Can we not design policies and institutions which lend an element of sustainability to the productive activities of our small farmers who have been the mainstay of Bangladesh's economic growth, by introducing some income security in their lives, which rewards their hard labour and gives them the incentive to regularly produce larger crops?

5. Can we devise a policy regime and system of governance which upgrades public education to a level comparable to the better private institutions? Can we not assimilate the real message from the experiences of Japan, South Korea, post-revolution China and post-war Europe, of the importance of democratising education as the foundation for building a democratic society? In these countries most people, including the elite of today and the working class, all studied in the same public schools and attended the same public universities. The inclusive nature of the public educational system provided a democratic compulsion to infuse high standards into these institutions since the future leaders as well as agents of production were being nurtured in these institutions. These countries thereby narrowed the social divide within their respective societies which originates from a dualised educational system. Such a democratic educational system remains the more significant achievement of the East Asian and Japanese educational system rather than their higher budgetary allocations to education. This is not the case in Bangladesh where we are mired in a more inequitable system of education which has in recent years become even more divisive and serves to marginalise the aspirations of the majority of our citizens.

6. As democracy and governance are now recognised as a legitimate component of the development discourse the members of the BEA should be addressing the issue of empowerment as a factor in poverty studies. We should explore ways to democratise social and economic opportunities as critical to the empowerment of the poor. Whilst the present discourse on poverty talks fully about empowerment I know of no country in South Asia let alone Bangladesh, who have elected the poor to parliament. It is, thus, unthinkable today for a person of ordinary means to even contest elections for parliament in Bangladesh or Pakistan. In such circumstances, do we reckon that the national legislatures dominated by men of property will surrender or even share their power with the poor at the invocation of a global summit on social development? Thus, we as economists need to return to the discipline of political economy to understand how our social and political structures influence the allocative and policy decisions which perpetuate poverty in Bangladesh and to devise mechanisms for inducing the delivery into our elective institutions.

7. As part of the agenda for democratising power we also need to explore the problems and possibilities of decentralising power, not just spatially but to decentralise it to those who need it, who again happen to be the deprived. This too demands a study of the political economy of power to enable us to understand why national MPs and bureaucrats have traditionally remained unwilling to surrender their accumulated powers to local elective bodies.

8. Can we explore ways of democratising access to information and to use the media to give the concerns of the deprived greater exposure? Can we, devise institutional forms to give the deprived an equity stake in newspapers and even contemplate the emergence of some papers fully owned by them? Can we visualise television stations owned by the deprived or at least committed exclusively to address their concerns?

9. Can we, as part of such a process, address ways in which we can move to decriminalise our political processes breaking the link between money and justice? Can we thereby join hands with the legal profession to explore ways to democratise justice to a point where a poor person gets all the justice he needs or deserves, not just what they can pay for? Above all, can we find ways to make the state accountable and transparent to the deprived thereby assuring them fuller ownership over its policy agendas where the deprived majority rather than the World Bank or IMF remain the source of policy influence in Bangladesh?

10. Can we explore institutional mechanisms to democratise the World Bank and the IMF as to all the decisions accountable to all their member governments and not just to a few among them? Can we find ways to make these institutions more transparent and participative on the same lines that they would like to reshape our national institutions?

11. Finally, can we initiate studies on the political economy of global markets? Can we examine how financial markets can be democratised? How commodity markets can be stabilised? How investments can be made in the market so as to widen opportunities for value addition to the labours of those who produce marketable commodities? Can we, for example, explore the terrain of international economics to examine the scope for restructuring global markets so that a young girl from a village in Faridpur who produces a shirt in a RMG factory in Dhaka which markets at \$15 at Walmart in New York takes home more than the 25cents she receives, for sewing that shirt, while all sorts of people along the line appropriate the remaining \$14.75? Such a process of increasing the income share of the girl from Faridpur in the revenues from the sale of a shirt in Walmart remains integral to the restoration of justice in the global marketplace. Can we examine ways to democratise global power, to knowledge and information which is being increasingly privatised and transferred into a rentseeking property for those who can monopolise knowledge?