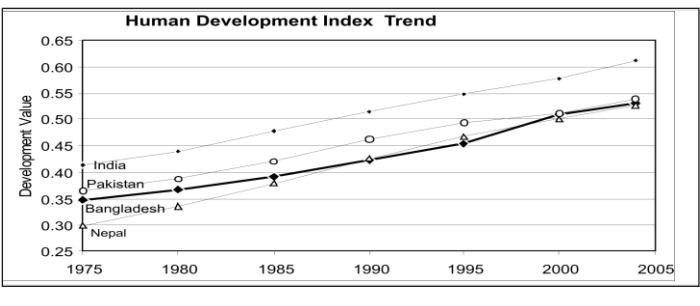


The dark age of development since 2001

While we were on the way to catch India, we are now competing with Nepal and Pakistan again. In a marathon race you can keep running and still fall behind. During Hasina's tenure we ran about four times faster than Pakistan (Bangladesh 2.5% versus 0.7% of Pakistan), now we are running slower than them (Bangladesh 1.0% versus 1.4% of Pakistan). This is what has happened to Bangladesh in the last five years.



ZAKARIA KHONDKER

SUPPOSE in a village there are a hundred people, and only one rich man. At the end of the year the rich man earned one crore taka to double his net worth. The pundits calculated the GDP growth for the village to be 100%. Are the villagers rich now?

The truth is just the opposite. The other 99 became poorer, and are now squeezed by the spiraling price inflation as the rich man controls all the trade in the village. This is exactly what has happened to Bangladesh since 2001. The cronies of the alliance government have gathered enormous wealth. For example, thousands of crores of taka were squandered in the electric pillar business alone. On the other hand, poor Dipali and Manjuara committed suicide to end the hell of hunger.

This is the problem with GDP growth: it fails to represent the majority when a small section is getting filthy rich in a spectacularly

short period. If most people were living longer, or their education levels had increased, then we could say that the benefits have reached most people, not just a few. Unlike money, which one can amass in billions, one cannot live billions of years or amass billions of years of education. So an achievement in overall education level or health would mean that quite a large part of the society got the benefit.

Today's achievement in education and healthy life will contribute to tomorrow's economic growth. This is why human development index is a better indicator of an average person's life.

The first table and figure show human development trend in Bangladesh, Nepal, Pakistan, and India (reported by UNDP <http://hdr.undp.org/statistics/>). Bangladesh, in 1975, was behind India and Pakistan but ahead of Nepal.

By the end of 1990, Bangladesh fell behind the three other players, and the difference was even bigger

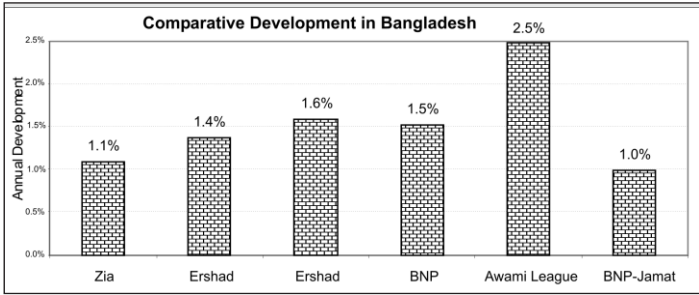
with Nepal at the end of 1995. Then something changed dramatically during 1996-2000, unusual for any of the four major players in the region, which pushed Bangladesh ahead of Nepal and to the same place as Pakistan.

Since 2001 Bangladesh has stalled again: it has fallen behind Pakistan. How drastic was the fall for Bangladesh since 2001? We will see next.

The pillars in the second figure are the annual rates of human development, the higher the better. The periods can be classified as 1976-980 Zia, 1981-1990 Ershad, 1991-1995 BNP, 1996-2000 AL, and 2001-2004 BNP-Jamaat.

As you can see the growth rate was 1.1% during Zia, gradually improved to 1.4% and 1.6% during General Ershad and stayed the same during BNP's first tenure. Then in 1996-2000, during Awami League, it jumped spectacularly to 2.5%. That pushed Bangladesh ahead of the whole region.

Zia's "nation building" is a blatant lie: he was the worst performer until now. Rather, Hasina could claim herself as the best nation builder. She could claim herself as the ruler of the golden age. Then catastrophe hit hard in 2001, when BNP and its alliance partner Jamaat captured power. Human development for Bangladesh nose-dived to 1.0% from 2.5%. This is our dark age! Ironically, Bangladesh has seen two exact opposites during two conse-



Period	Bangladesh	Nepal	Pakistan	India
1976-1980	1.1%	2.5%	1.3%	1.3%
1981-1985	1.4%	2.5%	1.6%	1.7%
1986-1990	1.6%	2.5%	2.0%	1.6%
1991-1995	1.5%	2.0%	1.3%	1.3%
1996-2000	2.5%	1.4%	0.7%	1.1%
2001-2004	1.0%	1.4%	1.4%	1.5%

Human Development Index Values				
Year	Bangladesh	Nepal	Pakistan	India
1975	0.35	0.30	0.37	0.41
1980	0.37	0.34	0.39	0.44
1985	0.39	0.38	0.42	0.48
1990	0.42	0.43	0.46	0.52
1995	0.45	0.47	0.49	0.55
2000	0.51	0.50	0.51	0.58
2004	0.53	0.53	0.54	0.61

cultives regimes.

Bangladesh never faced such a national disaster for such a long period in the last three decades. What could have happened to Bangladesh if BNP-Jamaat could match Awami League's development records? Look at the third figure. We could be way above Nepal and Pakistan, and could catch India by 2007.

Now, if we can regain Hasina's records today, we would likely catch India by 2012. If the current catastrophe continues for another 6 years (till 2010) we will never catch India in the foreseeable future, and fall behind

Nepal and Pakistan. Perhaps our children will immigrate illegally to India for odd-jobs.

This is so unfortunate. While we were on the way to catch India, we are now competing with Nepal and Pakistan again. In a marathon race you can keep running and still fall behind. During Hasina's tenure we ran about four times faster than Pakistan (Bangladesh 2.5% versus 0.7% of Pakistan), now we are running slower than them (Bangladesh 1.0% versus 1.4% of Pakistan). This is what has happened to Bangladesh in the last five years.



In 1998, when Southeast Asia faced a serious currency crisis and faltering economic growth, Bangladesh managed to contain the worst flood in its history and still achieve a 5% GDP growth.

When India was having 4% GDP growth in 2000, we were running 50% faster than them at 6%. In 2003, two years after BNP-Jamaat took over, we had about 5% growth, but at the same India was running at 8% growth; 60% faster than us.

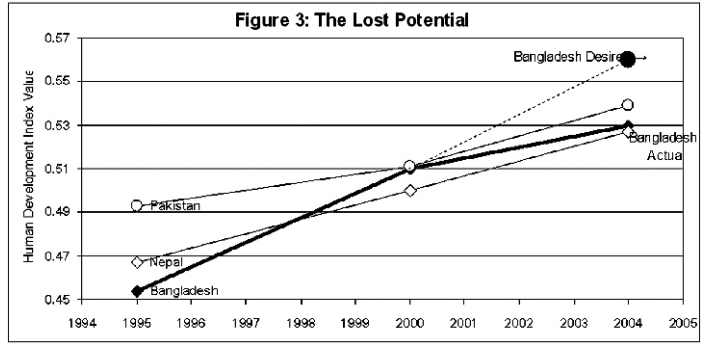
We are still running, but falling far behind our nearest neighbours. Our human development- economic growth, education, and health are falling. This underachievement in health and education coupled with energy sector disaster will impede

development for years to come.

This is the worst of times. This is the dark age of human development for Bangladesh.

Daily Star.

Zakaria Khondker is a freelance contributor to The



Should we withhold our votes?

By this time, every one of us will lose our mental peace, students will lose some valuable time from their academic life, and businessmen will lose their profit in the wake of mass movements. When such an ominous future looms large, I invite you to think twice before exercising your voting rights in a controversial election. If you ask me what I would do in such a situation, I say I would prefer withholding my vote.

AJM SHAFIUL ALAM BHUIYAN

THE president-cum-chief adviser is adamant to hold the general election on January 22 in spite of the withdrawal of major political parties, except the BNP-Jamaat coalition, which elected him president, from the electoral process. He looks desperate to hand over power to his benefactors through a ludicrous election. He seems committed to pay back his benefactors at the cost of our democracy.

As citizens we need to ponder whether we will take part in Professor Iajuddin's adventure.

Voting for a preferred candidate in an irregularities free and fair election is our constitutional right, but it could only be fruitfully exercised when the government and Election Commission create a favorable environment. The question now is: did the caretaker government create such an environment?

The CA has recently issued an elaborate statement assuring us that his government has done

everything necessary to make sure that we can vote in a festive mood. Every one of us who follow Bangladeshi politics and are concerned about the current political crisis heard the statement on public and private TV channels and read it in newspapers.

We need to assess how much confidence we can have on his assurance. And for this, the statement needs a close look.

The statement looks like a mediocre tale of determination, remorse, and assurance told to persuade people in favour of the election. This communiqué tells us that the CA is determined to hold the election on the stipulated day because the constitution obligates him to hold the election within 90 days from the day the CTG took over state responsibilities.

It says that he is remorseful because he sometime had to unfairly treat the BNP-Jamaat coalition to accommodate the demands of the agitating political parties -- the AL-led alliance. He feels that it was against his treach-

erous spirit because as a teacher he always dealt with issues in an impartial manner.

Finally, the communiqué assures us that the CA has taken all the necessary steps to hold a free and fair election, but all of a sudden the AL-led alliance withdrew their participation from the election. These claims seem innocent, but they are far-reaching. Let's assess them.

Our politicians invoke the constitution when it is supportive to their position, but often forget their constitutional obligations. The CA has demonstrated that he is no exception to this. He already forgot that his very takeover as the CA was unconstitutional.

There is no credible evidence to suggest that he exhausted other constitutional provisions before taking over as the CA. His government also denied the progress of a law suit challenging the validity of his takeover as the CA. He did not do it himself. The chief justice who was appointed by the BNP-Jamaat coalition did it for him, creating a new precedence of

partisan interventions in the judiciary.

For the last few days the CTG itself has been violating people's constitutional right to hold peaceful protests against government decisions, directing the police to indiscriminately arrest innocent people. Notwithstanding his contradictory acts, the CA does not hesitate to remind us every now and then his constitutional obligations to hold the election within 90 days.

The CA's activities also undermine the spirit of a teacher not because of the reasons cited by the communiqué but because he violated a fundamental principle of teaching.

Equality is a cherished goal what we all agree needs to be achieved in every sector to make a just society. But treating unequal parties equally is the biggest injustice done in the name of equality. A teacher must know it better than anyone else otherwise his teaching will not be effective.

In a classroom, every student is not equally capable of discerning complex issues. Students come to the class with variable capabilities and require variable care from a teacher for their academic progress. A teacher needs to keep that in mind in delivering lessons. I don't know whether Professor Iajuddin put this fundamental

principle into practice as a teacher, but we know for sure that as the CA he utterly failed to uphold this virtue.

As far as the upcoming election is concerned the BNP-Jamaat coalition is the most beneficiary of the CTG. As the immediate past ruling party, they enjoy undue advantages which can swing the outcome of the election. Before leaving power to the CTG, the BNP-Jamaat coalition manned key positions of the bureaucracy and law enforcement agencies and the EC with their flunkies to manipulate the election.

None except the die-hard BNP-Jamaat supporters can claim that the CTG created a level playing field for the opposing political forces, nullifying the undue advantages.

Instead, evidences suggest, the CA obstructed the moves made by some of his advisers to create a level playing field. As like as the previous caretaker governments, the present CTG was supposed to neutralize the bureaucracy and law enforcement agencies by manning the key positions with efficient non-partisan people.

The CTG wanted to reconstitute the EC because it lacked credibility to hold a fair election. The CA was supposed to appoint two new non-partisan election

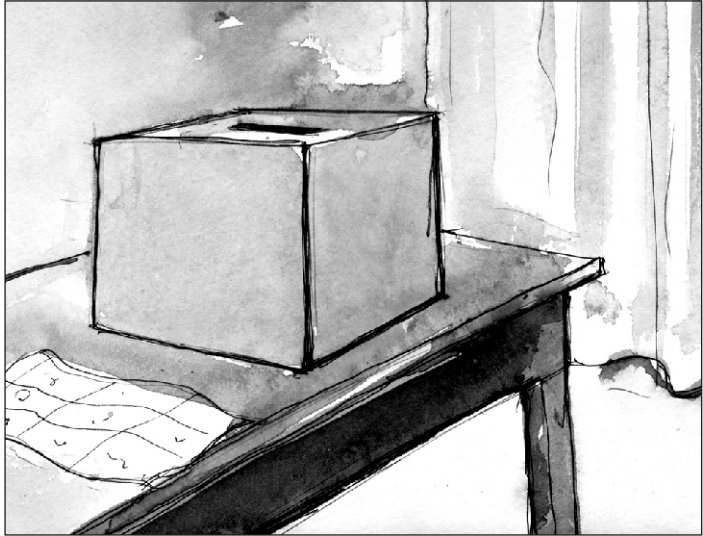
commissioners and a chief election commissioner (CEC). But he appointed two new election commissioners, with one having direct affiliation with the BNP-Jamaat coalition, and backtracked from appointing a non-partisan CEC.

Four advisers resigned from the government in protest against the CA's flip-flop. The CA filled their places with people who are soft toward the BNP-Jamaat coalition.

In my last commentary I predicted that if the CA continued to maneuver in a partisan way and the advisors failed to keep him on track the demand for his resignation would become the dominant discourse in our political climate. Unfortunately things are moving toward that direction.

The AL-led alliance withdrew their participation saying that the CA lost his credibility to hold a fair election. The demand for his resignation has been gaining ground. But he has found his power to call on the army as the last resort. He uses his last resort to intimidate those who are demanding his resignation as the CA. He is determined to exercise his power to hold the election on January 22.

This suggests that he is ignorant of our political history. He forgot that the army could not keep General Ershad in power for more



than nine years. The BNP could not continue enjoying its rule after having a one-sided election in February 1996.

Abusing the state power, he will be able to bring the BNP-Jamaat coalition back to power but the new government will lack legitimacy. The election will not be acceptable to anyone. Rather it will further pollute our political system.

However, the upcoming BNP-Jamaat government will be able to venture into anything including a further amendment of the Constitution to strengthen its position with its absolute reign over state machineries. But ultimately they will have to go like the

way they did in the past because of mass movements.

By this time, every one of us will lose our mental peace, students will lose some valuable time from their academic life, and businessmen will lose their profit in the wake of mass movements.

When such an ominous future looms large, I invite you to think twice before exercising your voting rights in a controversial election. If you ask me what I would do in such a situation, I say I would prefer withholding my vote.

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The poor like globalization

Notwithstanding the positive views of globalization in the developing world, the survey shows that there are common anxieties around the world concerning the availability of good jobs, job insecurity, old age support, and other quality of life issues. Interestingly, people tend not to blame globalization for lack of progress in these areas, but rather poor governance in their own countries.

DAVID DOLLAR

A recent worldwide poll may have come as a shock to those who view the anti-globalization demonstrations as emblematic of a general souring mood about global economic integration. The Pew survey found that not only was the attitude generally positive but there was more enthusiasm for foreign trade and investment in developing countries than in rich ones.

A close look at the economies of those countries shows why: the fast-growing economies in the world in this era of globalization are developing countries that are aggressively integrating with the world economy. However, the survey also found common anxieties around the world that protest-

ers often highlight but a majority of the polled did not blame economic integration for it.

It is increasingly clear that while this integration brings benefits, it also requires complementary institutions and policies in order to enhance the gains and cushion some of the risks of greater openness.

The Pew Center for the People and the Press surveyed 38,000 people in 44 nations, with excellent coverage of the developing world in all regions. In general, there is a positive view of growing economic integration worldwide.

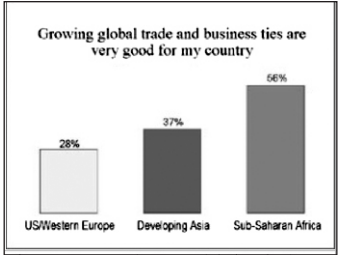
But what was striking in the survey is that views of globalization are distinctly more positive in low-income countries than in rich ones.

While most people worldwide viewed growing global trade and

business ties as good for their country, only 28% of people in the US and Western Europe thought that such integration was "very good." In Vietnam and Uganda, in contrast, the figures for "very good" stood at 56% and 64%, respectively.

Although these countries were particularly pro-globalization, developing Asia (37%) and Sub-Saharan Africa (56%) were far more likely to find integration "very good," than industrialized countries. Conversely, a significant minority (27% of households) in rich countries thought that "globalization has a bad effect on my country," compared to negligible numbers of households with that view in developing Asia (9%) or Sub-Saharan Africa (10%).

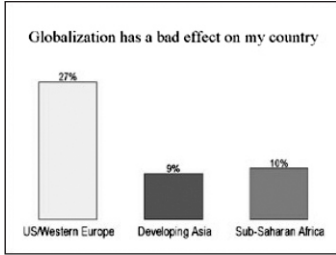
Developing nations also had a



more positive view of the institutions of globalization. In Sub-Saharan Africa 75% of households thought that multinational corporations had a positive influence on their country, compared to only 54% in rich countries.

Views of the effects of the WTO, World Bank, and IMF on their country were nearly as positive in Africa (72%). On the other hand, only 28% of respondents in Africa thought that anti-globalization protesters had a positive effect on their country. Protesters were viewed more positively in the US and West Europe (35%).

This Pew attitudes survey is consistent with the findings from World Bank and other research on globalization. In general, the developing countries that have increased



their participation in trade and attracted foreign investment have accelerated growth and reduced poverty. Uganda and Vietnam are two of the best examples, so it is not surprising that integration is viewed positively there.

More generally, globalizing developing countries are growing significantly faster than rich ones. In a paper for the World Bank, "Trade, Growth, and Poverty," Aart Kraay and I define the top third of developing countries in terms of trade integration as the "more globalized" countries.

This group has seen an acceleration of its per capita growth rate, reaching a population-weighted average of 5% annually in the 1990s. By contrast, rich countries grew at 2%, and the rest of the

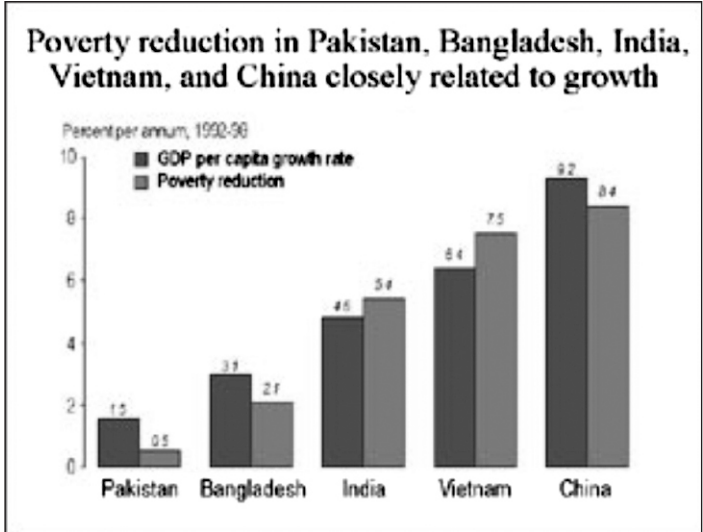
developing world, at - 1%. Over 3 billion people are included, for Bangladesh, China, India, Brazil, and Mexico are part of this category.

The anti-globalization movement often claims that integration leads to growing inequality within countries, with no benefits going to the poor. Generally, this is not true. There are certainly some countries in which inequality has risen, like China and the US, but there is no worldwide trend.

Most important, in the developing countries that are growing well as a result of integration and other reforms, rapid growth translates into rapid poverty reduction. The total number of extreme poor (living on less than \$1 per day measured at purchasing power parity) increased throughout history up to about 1980. Since 1980 that number declined by 200 million, while world population increased by 1.8 billion.

The progress is heartening, but there are still 1.2 billion people living in poverty

Notwithstanding the positive



views of globalization in the developing world, the survey shows that there are common anxieties around the world concerning the availability of good jobs, job insecurity, old age support, and other quality of life issues.

Interestingly, people tend not to blame globalization for lack of progress in these areas, but rather poor governance in their own countries. World Bank research

shows that openness to trade alone is not going to have much impact if there are common anxieties around the world concerning the availability of good jobs, job insecurity, old age support, and other quality of life issues.

Interestingly, people tend not to blame globalization for lack of progress in these areas, but rather poor governance in their own countries. World Bank research

David Dollar as Director of Development Policy, World Bank (C) Yale Global Online. Reprinted by arrangement.