

## Are you being served?

**During 2001-05 the service sector grew by 5.7 per cent average per annum, compared to 4.5 per cent during 1991-2000, and 3.7 per cent during 1981-1990. Currently, the share of services in total GDP is about 60 per cent. In 2006, more than 40 per cent of the labour force was employed by the services sectors, compared to 23.5 per cent in 2000.**

FAHMIDA KHATUN

**T**HE service sector is the fastest growing sector in the world economy, as well as in the local economies of many countries. It accounts for more than 70 per cent of GDP in developed countries and 49 per cent of GDP in developing countries. In low income countries services contribute about 45 per cent to the GDP. It is also the fastest growing component of international trade.

In 1985 trade in services was \$400 billion, which jumped to \$2.76 trillion in 2006. In 2007, remittances to developing countries amounted to \$240 billion, an increase by 107 per cent during 2002-2007.

The global outsourcing of services expenditure is expected to grow to \$827 billion in 2008. The volume of outsourcing is expected to increase by 30 to 40 per cent each year over the next five years.

Outsourcing some operations also allows significant productivity gains, ranging from 15 to 25 per cent, access to additional skills, and improvements in the quality of the services provided.

The structural composition of the Bangladesh economy also reflects the importance of the

service sector. The decline of the agricultural sector in terms of contribution to the GDP and the rise of manufacturing and service sectors have been a critical feature of the change in the economy.

Constitution of the service sector in the Bangladesh economy has also increased over time. During 2001-05 the service sector grew by 5.7 per cent average per annum, compared to 4.5 per cent during 1991-2000, and 3.7 per cent during 1981-1990.

Currently, the share of services in total GDP is about 60 per cent. As a consequence, the employment dynamics has also changed in various sectors. In 2006, more than 40 per cent of the labour force was employed by the services sectors, compared to 23.5 per cent in 2000.

The sector is more important for employment creation than the manufacturing sector. Remittances from abroad have become a significant part of the export income, touching \$6 billion last year.

Notwithstanding the importance of this fast growing sector, the quality of services still remains at an unsatisfactory level compared to global players. Among the services sub-sectors, the important ones, in terms of their share in GDP,

are wholesale and retail trade, hotel and restaurant, transport, storage and communication, financial intermediations, public administration and defence, education, and health and social work.

While some of these sub-sectors have become vibrant with the entry of a number of foreign players as well as local giants, the quality of services still remains a challenge for many. A glimpse into three important service sectors in the country, banking, telecommunications and health, can provide some idea of their delivery and quality in recent times.

### Banking sector

One of the foremost service sectors, which experienced reforms, is the banking sector, where deregulation and liberalisation took place with the aim of improving the financial intermediaries.

As part of its economic reform programs, Bangladesh liberalised its financial sector autonomously in order to improve efficiency, profitability, and diversification through competition.

Over the years, the banking sector has improved many times in terms of capital adequacy, asset quality, management soundness, loan management, earnings, and

liquidity.

However, when compared at the global level, and with the customer requirements, there is still tremendous scope for improving the quality and efficiency of the sector. Bringing in new products according to the need of various sections of the society, providing state of the art service to customers, and improving the governance of the sector are the challenges.

### Telecommunications

A relative late-comer, the telecommunications sector has shown huge potential in the economy through employment and revenue generation. Directly and indirectly, the sector has created jobs for 664,000 people.

Within a short span of time, increasing competition through investment by a few foreign companies has not only reduced the tariff rates but also increased the quality and coverage.

The number of mobile phone subscribers has increased from 19 million in 2006 to 35 million in 2007, indicating the potential for further growth in future. However, when compared to the rest of the world, tele-density as well as multi-purpose use of mobile phone are still very low in Bangladesh.

Here again, constant monitoring for improving the quality of services and diversification of products is crucial for further growth.

### Health care

Bangladesh has made considerable progress since its independence in 1971 in terms of improving some health-related indicators,

such as reducing infant mortality rate, increasing life expectancy at birth, and lowering maternal mortality, thus contributing to the improvement of the human development scenario in the country. However, there are a number of areas where the need for strengthening primary health care is still very high.

Less than 40 per cent of the population in the country has access to modern primary health services beyond immunisation and family planning. Only 25 per cent of pregnant women receive ante-natal care, and attendants with formal training handle only 12 per cent of births. 30 per cent of the infants born in Bangladesh are classified as low birth weight. 48 per cent of the children below five years of age are malnourished.

One of the reasons for such a gloomy picture of the health care services is the patient to doctor ratio in Bangladesh, which is one of the lowest in the world. People with access to health services are still only 55 per cent of the population.

Public expenditure on health as percentage of GDP is insignificant. The country suffers from huge deficiency of medical colleges and hospitals, clinics, doctors, nurses, midwives, laboratory technicians, pharmacy assistants, and machine operators to meet the demands of the population.

Though there have been some investments in the private sector to improve the quality of health services, resulting in mushrooming of private clinics, as well as development of three modern hospitals



Service with a smile: South-East Asia leads the way.

with adequate infrastructural facilities, there is a shortage of good doctors, nurses, and technicians.

As a result, not only are patients being deprived of a crucial service, the country is also losing huge foreign exchange as Bangladeshi patients travel to countries such as India, Thailand, Singapore, the UK, and the US for better treatment.

The quality of service also has implications for trade in services, which is not significant compared to merchandise trade. In Bangladesh, the share of services in total exports is only 5.5 per cent, compared to 30.9 per cent in India, 28.7 per cent in Nepal, 21.3 per cent in Sri Lanka, and 11.1 per cent in Pakistan.

In the multi-lateral trade regime,

countries have to commit towards liberalisation of trade in services. Hence, in order to take advantage of such liberalisation in the form of technology transfer and increased competition, necessary precautions with adequate regulatory framework and domestic measures have to be put in place.

It is being increasingly discussed that Least Developed Countries (LDCs) such as Bangladesh will be lucrative targets for strong market players for outsourcing services in view of increased costs of doing business in the developed countries. With the advent of information and communication technology, coupled with growing global demand for services, the delivery of

services cannot be restricted to a particular geographical location.

In order to take advantage of this emerging phenomenon, Bangladesh has to strive for improving its quality of services. For Bangladesh, overall economic growth and development largely depend on the export of goods, while the retention of competitiveness of goods exports significantly depends on how the service providers facilitate the process with their continuous support in areas such as banking and insurance, port facilities, transport, logistics, consulting, and telecommunications.

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## True empowerment

**The processes for women's self-actualisation need to engage men through educating them on Prophet Mohammad's (SAW) treatment of women's issues and rights that he illustrated by encouraging his wife Hazrat Ayesha (RA) to learn about philosophy, history, and politics. She is considered to be one of the foremost scholars of Islam's early age, one quarter of the Islamic laws in the collection of Hadiths stemmed from her narrations.**

HABIBA TASNEEM CHOWDHURY

**P**OST-independence women in Bangladesh found themselves in household earning positions across the different socio-economic strata. Although still recuperating from the ravages of the liberation war at personal, individual and family level, Bangladeshi women soon found themselves in a position where they had to be providers while adhering to the traditional and cultural gender bias that confined them to homes and homesteads.

Women in this country have traversed a tricky terrain besieged by innumerable challenges for their socio-economic emancipation. Propelled by the innovative micro-credit system that evolved a distinctive genre of entrepreneurship from kitchen gardens, chicken and duck coops, and almost anything and everything that could translate into a skill and had marketable value, women in Bangladesh grew very fast from a nonentity status into recognised human capital.

Today, Bangladeshi women, irrespective of immediate environment and settings, are contributing extensively and intensively

to the national GDP as an efficient workforce in the readymade apparel sector, as small and medium entrepreneurs, and as professionals. They seem to have taken control of the socio-economic helm, reducing the gender divide. It is truly a remarkable achievement considering all the odds.

However, all these advances cannot continue to camouflage the fact that economic emancipation has really not diminished socio-cultural gender prejudice. Globally, it is now established that women are seen as a source of cheap labour. They are over-represented in the informal sector, underpaid in the formal sector -- e.g. within the industrial and services sector the wage gap ranges between 53 per cent and 97 per cent -- and predominantly occupy blue collar jobs.

In Bangladesh, the situation has stagnated at the micro-credit level, providing little opportunity and scope for entrepreneurship. At the professional macro-level the country has witnessed increase in the number of working-women, but at the corporate management level the representation is extremely limited. If we take

the readymade apparel sector, the highest income generator for the country, as a marker; the workforce consists of an estimated 85 per cent to 90 per cent female workers.

Ironically, at the mid and top management levels female representation is proportionately negligible. Most of the apparel factories, while employing females as the main labour force, prefer men as mid and high level managers.

Work on women's emancipation in Bangladesh originated as a social work, and continued for augmenting the economy by optimising rural human resource development. Focused on women, the scope of its growth till now remains confined to diminishing economic marginalisation by providing skills and options of employment for poverty alleviation.

Although, the government has taken measures to ensure women's representation in all areas of productive work, opportunities for management and leadership position remain a male dominated and influenced area. A quick assessment of women's representation in the country would reveal the trend.

### Politics

Women in Bangladesh entered politics through social work and as students. Government quotas ensure their presence in local administration and the parliament. But money being the primary concern in electoral politics, fewer women are able to effectively participate due to limited access to financial resources.

### Electoral process

The government makes special security provisions for women voters to encourage them. However, women still do not hold key positions; during the electoral process their role is more of a support provider and campaign worker.

### Local government

The government, in 1997, decreed reservation of three seats for women in the Union Parishad. In the local government elections the same year a total of 20 and 110 women were elected as chairpersons and members, respectively. Women representatives attend the Union Parishad meetings regularly, but very few of them participate in the deliberations and decisions. Despite having had women prime ministers and opposition leaders, women's participation has not risen above 3 per cent at the ministerial level.

### Education

The primary and secondary enrollment of female students has increased to almost 50 per cent, but the literacy rates are approxi-

mately 26 per cent women compared to 49 per cent men.

### Employment

Women, over the last decade, have enjoyed greater employment opportunities through the export oriented readymade apparel industry but, according to the report by the Public Administration Reforms Commission, they hold only 12 per cent of government jobs and 2 per cent at senior positions with policy decision making roles.

This scenario reflects positively on the reforms made to include women in different sectors. While the social welfare approach has created the environment for education, employment and self-reliance, it could not ensure an enabling environment for appropriate opportunities of self-actualisation.

Women in Bangladesh still remain in a subordinate position in society where processes for effective social and cultural emancipation are extremely limited.

The fact that government statistics and various reports of the development partners and NGOs have not sufficiently covered the situation of women in corporate leadership and management positions indicates that issues on women's development are not proactive in redressing or addressing socio-economic concerns. Rather, they are reactive.

The government quota system may be an initiation point for engaging women, but it also

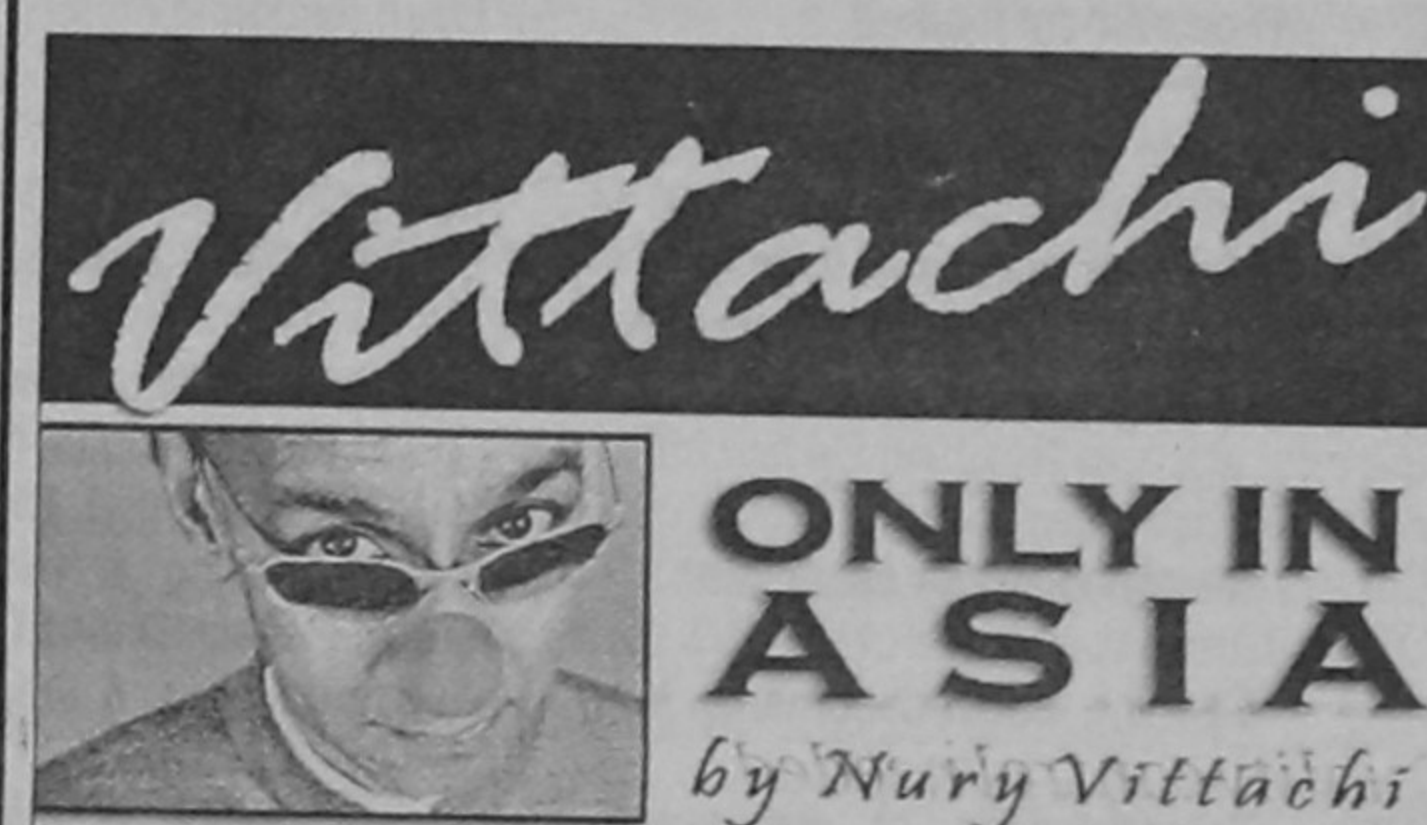
shows that women did not and do not enjoy the rights of citizens as enunciated in the constitution. Therefore, it was separately identified as a measure for realising their rights. The United Nations Convention on Women's Rights is effectively translated through designation of the International Women's Day, and solidarity with it can be demonstrated by establishing leadership development opportunities at the institutional level.

The processes for women's self-actualisation need to engage men through educating them on Prophet Mohammad's (SAW) treatment of women's issues and rights that he illustrated by encouraging his wife Hazrat Ayesha (RA) to learn about philosophy, history, and politics. She is considered to be one of the foremost scholars of Islam's early age, one quarter of the Islamic laws in the collection of Hadiths stemmed from her narrations. She became the most prominent of Prophet Mohammad's (SAW) wives, and is revered as a role model by millions of women.

The inclusion mechanism would provide the much-needed orchestration for dialogue between men and women, and private and public sector synergy in dissolving obstacles to actual empowerment of women in Bangladesh.

Source: ADB Country Briefing Paper, Women in Bangladesh, Unifem report.

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## Desperately seeking sense of humour

**A**SIANS have no sense of humour. Their idea of comedy is slapstick. Irony doesn't exist in Asian discourse. There are no comedians in Asia.

That's a list of conventional beliefs about humour in Asia. I don't think any of them is true. But I don't blame anyone for thinking these things. The west is overflowing with stand-up comics and comedy movies and witty cartoons. But comedy -- well, intentional comedy -- is harder to find on the eastern side of the planet.

You need to know where to look. There's lots of wit in the Philippines. There, you'll find a bakery called Bread Pitt; a pipe-laying firm called Christopher Plumbing; a boutique called The Way We Wear; a burger shop called Mang Donald's; a hairdresser called Felix the Cut; a butcher called Meating Place; and so on.

Other parts of Asia also generate jokes. Here's one from South Asia:

You know you are Asian If: (a) Your dad is an engineer or a doctor; (b) Everyone assumes you're good at math; (c) You have a 25-kilo sack of rice in your pantry; (d) You have rocks, sticks, leaves and mysterious strange-smelling substances in your medicine cabinet. (e) You refer to all adults as Auntie and Uncle.

Here's a joke I love in Indian English:

Manager: Raju! You was discharged from hospital yesterday only. Why you come office today itself?

Raju: Doctor told me take rest for a month. That's why I come to office! Why is Asian humour tough to find? The media in Asia tends to be run by government officials and business people looking after their own interests (sorry, is that tautology)?

If neither the Republic nor the Empire, then what?

The Galaxy's best hope appeared to be in free systems uncontrolled by the extraordinary powers of the Jedi or the Sith, under government of the people, by the people for the people. And that appears to be the case for Bangladesh too.

Say "no" to the Jedi Council or a bureaucratic state, and "yes" to decentralised and democratic politics.

Jyoti Rahman is a movie buff and member of the Drishtiput Writers' Collective.

ogy). Individuals like that just ain't funny. China once put out a government-approved pop song called When I Grow Up I Want to Be a Peasant. Without a trace of irony.

So instead, look to the internet, student publications, theatre groups and so on: that's where the humour's hiding. The fact that you are reading this column makes you part of a large group of people in Asia who like a laugh -- so we are perfectly placed to "prove" Asia has a sense of humour. If you know any Asian jokes, send them in (no, don't post Joseph Estrada to me).

An Asian man goes into a night market food stall and orders three rice dinners.

He eats all three by himself. "Hungry?" asks the food stall man.

"I am one of three brothers," the diner says. "One of my brothers has a restaurant in London and the other has one in New York. So we pledged to always eat like this, so we can remember each other at meal-times."

Every day the diner comes to the food stall. And every day he eats three rice dinners.

This goes on for more than a year. And then one day he comes into the restaurant looking very sad. He orders only two rice dinners.

The food stall boss approaches with his head bowed. "I would like to offer my condolences on the sad passing of one of your brothers," he says.

"Oh, neither of my brothers is dead," says the diner. "It's just that I'm on the Atkins diet."

\*Tomorrow. More proof that Asian English is growing into a fully developed language.

\*Send Asian jokes to Nury on www.vittachi.com, but no politicians please.



## Star Wars and Bangladesh

**The Galaxy's best hope appeared to be in free systems uncontrolled by the extraordinary powers of the Jedi or the Sith, under government of the people, by the people for the people. And that appears to be the case for Bangladesh too. Say "no" to the Jedi Council or a bureaucratic state, and "yes" to decentralised and democratic politics.**

JYOTI RAHMAN

A long time ago in a galaxy far, far away...

**T**HUS begins Star Wars, one of the highest grossing movie series in history that also provide powerful insights into political economy, insights that have tremendous relevance to our own time in a country very, very close to our hearts. "No" to a bureaucratic state or any council with extraordinary powers, "yes" to a decentralised democratic republic -- that's what we learn from Star Wars, and they apply very much to today's Bangladesh.

Before proceeding, let's remind ourselves about the series.

In the Galactic Republic where the series is set, the Jedi held supervisory powers over the

affairs of the state. They were well-versed in the use of the Force, which they applied for only benevolent purposes. Sith could also use the Force, but they did so for diabolical ends.

In the beginning of the series, politicians were beholden to sectoral and vested interests, and it was the bureaucrats who really governed. The elected politicians' selfish and self-serving actions led to political crises and civil war which concluded with a Chancellor -- who was also a Sith lord -- ending the Republic and establishing the Empire.

The Empire promised order and stability, but it denied liberty. Societies that trade off liberty for stability soon realise they have neither, and so it was with the

Galaxy. Soon a resistance developed, and to quell this resistance the Empire built the Death Star -- a weapon so powerful it could destroy an entire planet. But the Rebel Alliance succeeded in defeating the Emperor by the end of the series.

So, what are the lessons for today's Bangladesh?

Let us begin with the Jedi Council, the guardians of peace. Politicians are susceptible to corruption and vested interest, and we need them to be guided by wise elders, like the Jedi Council. Do we need a similar council in the post-Emergency Bangladesh?

Let's think about the Jedi Council for a moment. The Jedi exercised extraordinary powers, operating outside the executive,

legislative and the judiciary arms of the state -- they were a state within the state, they were a law unto themselves. They were an exclusivist organisation with strictly restricted entry. They were openly contemptuous of the elected politicians. They claimed to live by their code, but there were no external checks and balances. Considering how easily the evil Sith lord manipulated key Jedi, their code was not much of a substitute for institutional accountability.

Suppose we set up a similar council composed of people belonging to an organisation with rigorously restricted entry, an organisation that faces no effective checks, and whose members are openly contemptuous of the elected politicians -- who is to say that this council will not meet the same fate as the Jedi Council?

The Jedi Council could not prevent the end of the Republic. But was the Republic worth saving to begin with?

Well, the sheer size of a massive

state that the Galactic Republic brought about its own downfall. The lesson here is that the larger the state, relatively larger the bureaucracy. A large bureaucracy is bad news for representative government. We hear about corrupt politicians all the time, and we know that corruption thrives in bureaucratic maze. If we are serious about curbing corruption, we need to look beyond arresting politicians and trim the bureaucratic fat, tear up the red tape and increase transparency in decision-making.

Moreover, the Jedi, or the Sith, for all their power to see the future, could not prevent their demise. The lesson here is that no government planning agency is likely to be able to plan efficiently for the future -- central planning just does not work. And if it is tried, even with the best of intentions, it begins a road that ends in serfdom. In Bangladesh, we need to be wary of people who claim that they have the secret to a golden future.

The Empire was of course not the solution. If the Empire had been indeed popular and in a world where people only cared about the inter-galactic commuting services running on time, the Emperor and his minions would not have needed the Death Star to terrify the Galaxy. And similarly in today's Bangladesh, we need to be wary of the rule by decree, for this will inevitably draw resistance in the campuses or factories or fertilizer distribution centres.

If neither the Republic nor the Empire, then what?

The Galaxy's best hope appeared to be in free systems uncontrolled by the extraordinary powers of the Jedi or the Sith, under government of the people, by the people for the people. And that appears to be the case for Bangladesh too.

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