

## BANGLADESH IN THE 21ST CENTURY

## Economic symbiosis

This piece is the first in a series devoted to summaries of papers presented at the conference on "Bangladesh in the 21st Century," Harvard University, (June 13-14). The conference was organised by Bangladesh Development Initiative (USA), Democracy and Development in Bangladesh Forum (USA), and The Ash Institute of Democratic Governance & Innovation at the Kennedy School of Government, Harvard University. Other pieces presented at the conference will be forthcoming in the following weeks. The series is being coordinated by **Dr. Syed Saad Andaleeb**, Professor and Program Chair, Pennsylvania State University, Erie, and President of Bangladesh Development Initiative (www.bdiusa.org). The views expressed in the articles are expressly those of the authors.

ASHRAF ALI

A previous study found that there is a strong relationship between per capita income (PCI) and several indices such as life expectancy, infant mortality, male and female illiteracy rates, percent urban population, commercial energy use, etc. All the indices improve with the increase in the PCI. The implication of this important finding is: if the Bangladesh development practitioners and policy-makers can increase the national PCI, improvements in the socio-economic indices will naturally follow.

The study also revealed that all the indices, after gradually improving with increasing PCI, reach a plateau when the PCI reaches \$5,000 to \$10,000 US dollars (in 2000 US dollar value). In other words, the citizens of any country will be able to lead a decent life if the PCI reaches \$5,000 to \$10,000. We designated this level of income as the benchmark PCI that all developing countries should strive to reach.

This article examines the prospects of reaching the proposed PCI levels by establishing a symbiotic relationship between an industrially advanced country such as USA or Japan on one side and a developing country like Bangladesh on the other. The symbiosis can be

described in the following manner:

**The Economic Symbiosis concept**

*The developed country will need to split its entire R&D effort roughly into two halves designated as 'advanced high-level technology' and 'intermediate-level technology.' The companies of the advanced country would maintain control over the former component, but the government of the advanced country should actively assist developing countries to produce goods and services utilizing the latter component.*

*Under this scheme, while the developing countries hire "white" workers to sustain domestic R&D related to intermediate-level technologies and thus obtain a higher level of domestic per capita income, the advanced country engages in R&D research activities for the next generation of still higher level technologies. The idea behind this proposition is to assist developing countries to have enough income, at least around \$5,000 to \$10,000 in 2000 US dollars (the benchmark per capita income), under the patronage of the developed country so that their effective demand for high-ticket goods produced in the advanced country increases significantly and also they can afford to purchase those goods from the*

advanced country.

The study explores how, in addition to benefiting developing countries, the above mechanism puts the developed country on a still higher economic growth path never thought possible. The study also examines current world income structure and subjects it to the hypothesis proposed above. The question the study addresses is the additional amount of income that can be generated by upgrading the production and income of the developing countries through intermediate-level technology.

**World income structure**

The World Bank income and population data for the year 2004 are utilised for the study. The total world output for the year 2004 is found to be 39 trillion US dollars in which the US output was 12 trillion US dollars, whereas Bangladesh output was only 0.06 trillion US dollars. The United States held the fifth position on the PCI ranking with PCI of \$41,400 and population of 294 million. Bangladesh had 175th PCI ranking with PCI of \$440 only with a population of 140 million!

When we group all the countries of the world into two categories, one having PCI greater than the benchmark PCI (\$5,000 to \$10,000) and the other with PCI below it, we discover that about 75% countries

of the world have per capital income below the level of benchmark PCI. The total income for the group with PCI's above the benchmark is 32 trillion US dollars, whereas that for the other group is 7 trillion US dollars.

We then hypothetically increase the PCI's of these countries to just the level of benchmark PCI and see that the total income for the low-income group increases dramatically from 7 trillion US dollars to 25 trillion US dollars for a benchmark PCI of \$5,000 and as high as 52 trillion US dollars for benchmark PCI of \$10,000!

For the low-income countries, this represents an increase in total income of 18 trillion US dollars for benchmark PCI of \$5,000 and \$44 trillion dollars for benchmark PCI of \$10,000. These income increases significantly expand the potential markets in the developing countries that are awaiting to be developed by the developed countries.

**Economic symbiosis**

The increase in total income in the low-income countries would be 48% and 113% of the current total world income for \$5,000 and \$10,000 benchmark PCI respectively. This represents a fraction of total current world income that has not yet been generated, but could be generated under the patronage of the developed countries creating



Is this the direction Bangladesh must go?

additional market for high-ticket goods and services produced in the developed countries. This is a perfect example of a possible symbiotic relationship between the two groups of countries, growing together, supporting each other and benefiting from each other.

Today 84% of world's population has PCI below the benchmark level. This represents that fraction of population in the world who are waiting to engage in more productive and meaningful work and thus to contribute effectively to the local economies. At the same time this same fraction of population is waiting to turn into serious consumers demanding high-ticket goods and services from the developed countries both for production and consumption. If this world population fraction stays where they are today, they are poverty-stricken, unskilled, unproductive, and non-consumers. But if turned around, this same population fraction would get more tightly connected to the world economy and become agents who would help

convert this increased world income into additional per capita income for the people in the developed world.

Now, how much of this new world income would return to the developed countries through added global consumption would depend upon the level of engagement on the part of developed countries with R&D and production using intermediate-level technology. For example, if US could derive 20% added return from its engagement into the developing countries of the world, its PCI would jump from \$41,400 to \$54,000 with a benchmark PCI of \$5,000 and to \$72,000 with a benchmark PCI of \$10,000!

**Examples of economic symbiosis and prospects for Bangladesh**

The symbiotic partnership between Japan and Malaysia during Mahathir Mohammad administration may be designated as one of the most successful progressive economic symbiosis between two countries where Malaysia sought



investments from Japan in the areas of heavy industries. The Perwaja Steel and the Proton automobile manufacturing firms are examples of industries that were created as Malaysia-Japan joint ventures in order to promote heavy industry in Malaysia.

Dr. Mahathir Mohammad adopted the so-called "Look East" policy, which is naturally aligned with his anti-Western position. Learning from the success of the symbiotic relationship of Japan-Malaysia and Japan-other Southeastern countries, India has also launched a similar "Look East" policy to seek greater economic ties with the Asian countries, including those in the Asean block. It is noteworthy that although India is pursuing the "Look East" policy, it also is building economic alliances with The United States at the same time.

Bangladesh may have multiple options in front of her. She can work with Japan, more or less like Malaysia did, but without adopting

the ultra-nationalist element. Bangladesh can also enter into symbiotic relationship with Singapore, South Korea, Taiwan, Malaysia, China, or India. Or, it could build close economic ties with multiple partner countries.

The bottom line is to ensure that the relationship is truly symbiotic, which would allow Bangladesh to secure the right to perform domestic research and development (R&D) at least with intermediate-level technologies. Since geographically Bangladesh is almost surrounded by India, Bangladesh should always keep India in its mix of choices for partners while it pursues other partners elsewhere. Given the huge income gap and development asymmetries, the symbiosis advocated in this study may be the best option for countries like Bangladesh.

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## Punishing the guilty

**Now, with the higher judiciary granting bail and staying trial proceedings, most of these people have managed to come out of jail. The whole judicial process of quick trial and possible punishment seems to be a distant possibility at the moment. Will what started with a bang about a year ago end now with a whimper? Will we go back to pre 1/11 days of political turmoil and loot and plunder by the same corrupt political and social elites?**

SHAMSUDDIN AHMED

If an offender, say a murderer, is not punished and the judge trying him sets him free on the plea that the prosecution case was not strong enough in terms of evidence produced, and other legal nuances, to warrant punishing the accused, who is to blame for allowing a criminal like this to go unpunished and commit many more such heinous crimes and terrorise the people in the society?

Is it the prosecution lawyer, or the police officer who investigated and prepared the prosecution case, who is to be blamed? Can we, morally speaking, absolve the defence lawyers, who tried their best in return for money or partisan loyalty, to prove that their client was innocent knowing full well that the offender did commit the crime? What about the honourable judge who finally pronounced him innocent, knowing full well in his heart of hearts that

the accused was guilty?

It is not murder only that haunts us. There are crimes and criminals galore in this country. There are rapists, acid throwers, robbers, smugglers, black marketers, bank loan defaulters, terrorists, dishonest and corrupt businessmen and politicians, etc.

But the worst are the high-profile political and social elites, who have robbed this country of its wealth and have become fabulously rich overnight, building personal fortunes for themselves and their cronies through corruption and wrongdoings on a scale never seen before.

These are the people who have, over the years, destroyed all our democratic institutions one after another through partisan politicisation. They have patronised and promoted corruption to such an extent that corruption now pervades each and every layer of our society and national life.

No wonder we were branded as the most corrupt nation in the world during the rule of the immediate past government. These are the people who need to be asked, not only to account for their wealth and property, which they have acquired through myriad wrongdoings, but also to return this stolen wealth to where it rightfully belongs.

This is the task this caretaker government has embarked upon in right earnest in a bid to sanitise our national politics, which has been badly polluted, to say the least, by our past political rulers.

Arresting many of these high profile political and social elites, and putting them on trial, was no mean achievement of this government.

Who could even imagine that these people, who only loathed and ridiculed the rule of law while in power, would one day move in droves to jail, as we all have witnessed? We all know that without

emergency power rules the government could not have taken these people into custody. Nor could these powerful, influential, and rich people have been brought to face trial and be punished, as indeed some of them have been.

Now, with the higher judiciary granting bail and staying trial proceedings, most of these people have managed to come out of jail. The whole judicial process of quick trial and possible punishment seems to be a distant possibility at the moment. Will what started with a bang about a year ago end now with a whimper? Will we go back to pre 1/11 days of political turmoil and loot and plunder by the same corrupt political and social elites?

What have we achieved through the August 4 local government elections does not augur well for us. It is the same old crooks with the same old political hue who have occupied the centre stage of local government politics. Where are the clean and patriotic people who we all thought would come into the fray and get elected? Will it be any different as we go through the parliamentary election exercise in December, given that those who rose to Himalayan heights in

corruption, wrongdoings and criminal acts are now coming out of jails and sub-jails unscathed?

If we are to live and survive as a nation with honour and dignity, we all must endeavour to establish truth and justice in this country. Truth must prevail over falsehood and justice over injustice. Truth and justice can triumph only under a truly democratic multi-party governing system, with the rule of law reigning supreme.

Those who govern must be respectful of and responsive to the wishes of the governed. They will not live in comfort in fully furnished Nam flats by paying a token rent of Tk 400 or 500 a month, when poor people of this country cannot expect to live even in shanties at that rent. They will not import duty free luxury cars and flaunt their proud possession when poor people in millions across the country cannot afford to travel in a rickshaw or a bus.

They will not demand and enjoy fat salaries and grossly inflated house rent allowances and other perks and privileges when low paid government employees can hardly make ends meet. They will loathe to live in a sprawling luxurious house with lights glittering all around at night when others have

to live in darkness because of persistent load-shedding. They will be ashamed of taking a dollar from the state when a man on the street cannot earn a pittance by toiling the whole day.

If these are the sort of people we seek to be governed by as our elected leaders, then there is no way we can allow the tainted political elites and their cronies to go unpunished and foul up the political arena once again. If they do so it will be a travesty of truth and justice.

A word about the state of emergency under which the country is being governed now. True, an emergency is not something very palatable that we must bear with beyond a certain period of time. But it is a necessary evil we must learn to live with. Because the constitution provides for it to meet a challenging situation like the one we are passing through.

When people take the law in their own hands, and the lives and properties of the ordinary peace loving people are in danger, you need extra force to be applied over and above the normal force to contain the forces that threaten peace and order.

If you want that those who plundered and looted our state



Soon to be free?

wealth and property, masquerading as our rulers, should be punished speedily but justly and be legally barred from contesting elections in future, then there is no way you can do this unless their trial is allowed to be conducted under emergency power rules.

Under the normal judicial system, investigation and trial of these high profile criminals is a long-drawn process. It will drag on for years without any positive outcome. Which is why the political parties are insisting on lifting of emergency immediately.

They are saying that a free, fair

and credible national election in December is not possible under emergency. This is not correct. The government can relax relevant provisions of emergency rules and allow political parties and candidates contesting the election to hold political meetings and rallies and do election campaigning. Was not the August 4 local government election free, fair and credible? Did not AL and all other political parties in Pakistan take part in the 1970 general election even under martial law?

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## Obama picks Biden as his veep

## LETTER FROM AMERICA

**The selection of Senator Joe Biden will almost compel Senator McCain to pick former Massachusetts governor Mitt Romney as his running mate. Pundits believe that among all the candidates McCain is considering, only Romney can go head-to-head, toe-to-toe in debates with the excellent debater Joe Biden.**

FAKHRUDDIN AHMED

THROUGH text messaging and e-mails, Democratic presumptive nominee Senator Barack Obama let his millions of supporters know early Saturday morning that former presidential candidate, Senator Joseph Biden of Delaware, will be his vice presidential running mate. The selection of Joe Biden was widely anticipated and predicted. Biden is considered a "safe" choice, who fills in the foreign affairs and national secu-

rity voids in Obama's resume. Senator Biden is the chairman of the powerful Senate Foreign Relations Committee.

Although Biden is a safe choice, his selection is not going to enthrall Hillary Clinton supporters, especially women, who believe that in spite of Obama's oft-repeated comment that "Hillary would be on anyone's short list," Obama campaign did not seriously consider or vet Hillary. How negatively they react to Obama's selection of Biden and its ramifications for the November election remains to be

seen.

The advantage of choosing Biden is that he is respected for his knowledge of foreign affairs and national security, areas in which the McCain campaign has been hitting Obama hard, with success, over the last month. Biden was one of the few US senators to visit and reassure Georgia after the recent Russian invasion.

Although he is the senator from tiny Delaware for the last 35 years, Joe Biden was born in Scranton, in the neighbouring state of Pennsylvania, a battleground

state where he is enormously popular. Biden could definitely help Obama win Pennsylvania.

Biden is also popular among the Appalachian poor whites; a group Obama is having difficulty wooing. Biden also has strong links with the labour unions, a crucial group in the Democratic Party.

What tipped the scales in Biden favour is that he is very pro-civil rights and because of that Obama has developed affection for him. One can see genuine rapport between the two.

The vice presidential candidate is the chief attack dog, an area in which the naturally genteel Obama comes up short. Biden will fill in the role of the smiling assassin admirably. One can never forget how Biden destroyed the Republican front runner of last summer, the former mayor of New York Rudy Giuliani: "Every Giuliani sentence has a noun, a

verb and 9/11!"

Biden is not a perfect package. He tends to go off script and shoot from the hip. He has been labeled "a gaffe machine" by the press. The Obama campaign will try to keep Biden on message; it is not clear how much they will succeed.

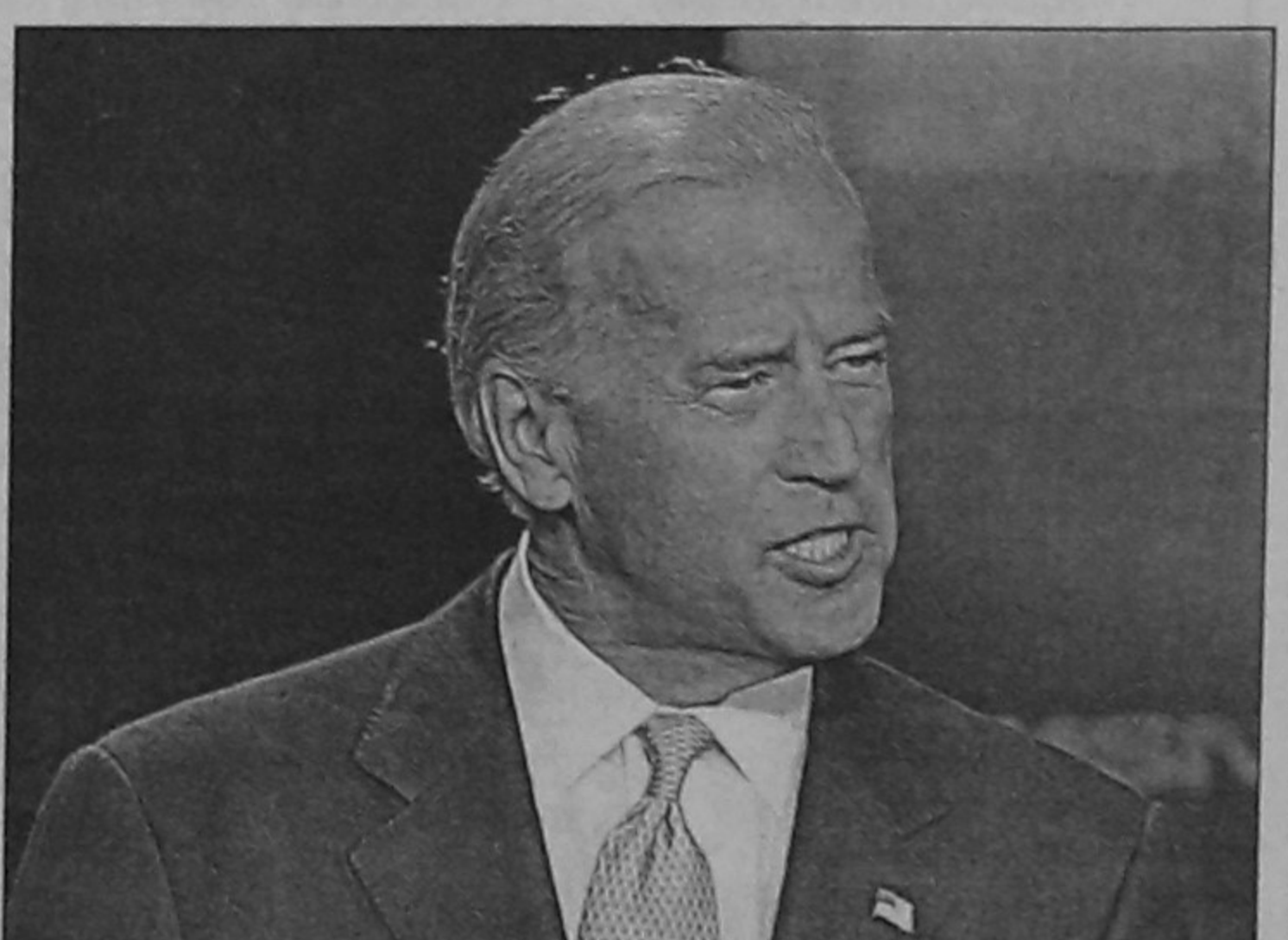
The Republicans will go after Biden and remind voters of Biden's plagiarism during his first presidential bid in 1988, when one of his speeches was an exact copy of a speech given by the British Labour Party leader Neil Kinnock.

The choice of Joe Biden is an attempt by Barack Obama to reassure the American voters that if they elect him, they will be electing not only a young and "inexperienced" man, but a seasoned and experienced senator only a heartbeat away from the presidency. They will not only be voting for Obama the

black man, but also for Biden, the white guy!

The selection of Senator Joe Biden will almost compel Senator McCain to pick former Massachusetts governor Mitt Romney as his running mate. Pundits believe that among all the candidates McCain is considering, only Romney can go head-to-head, toe-to-toe in debates with the excellent debater Joe Biden. McCain does not like Romney, but without a conservative like Romney as his vice president, Republican base will remain unenthusiastic. Romney, however, comes with some baggage. He is a Mormon, and like Al Gore's Jewish running mate Joe Lieberman in 2000, some Americans will find Romney's Mormon religion unappealing.

In the final analysis, vice presidential candidates create excitement for a couple of days and then recede into the background. Except for Lyndon Johnson in 1960



Obama's attack dog?

(he helped Kennedy win Texas), the vice presidential candidate has had little impact on the result of the presidential election.

Americans vote for the top of

the ticket. Obama or McCain will have to win it on their own, not with an assist from their VP.

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