

Creative capitalism and the working poor



DR SAADAT HUSAIN

Not less a person than Bill Gates has recently come up with the newly coined concept of "creative capitalism." The concept has attracted wide attention because it has been propounded by one of the most intelligent, most successful, and richest persons of the world.

Gates is an ardent supporter of capitalism. He believes that capitalism has immensely improved the quality of human life. Millions of people have benefited from this economic regime as opposed to any other economic dispensation. He, however, observed that capitalism can be improved further in order to distribute the fruits of development to millions more who are left out in

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the distribution process. The mechanism for accomplishing the task is "creative capitalism."

Gates believes that through innovation, technological achievement, and restructuring of organisation or work method, companies can palpably enhance the welfare of their clientele or consumers while ensuring their return on investment at the same time.

Big corporations are eminently suited to make technological innovations that stand to promote the welfare of the poor. Gates thinks that some corporations have already done so and shown the path to accomplish the dual tasks of earning profit and doing good to the poor at the same time. He is optimistic that many others will follow the suit. Discovery of new markets

compatible with poor people's purchasing power and exploiting it to the advantage of the poor is an effective strategy in this regard.

Gates also lavishes acclamations to companies who have embarked on corporate social responsibility (CSR) programs in support of the poverty groups at risk. In his zeal to fix capitalism or defend its basic structure, he magnifies the impact of the charities born out of the CSR programs of the companies. One will be justified to question if the philanthropic programs of the companies are really effective in eradication of poverty in the world over.

On close scrutiny, it appears that Gates has underestimated the depth and size of the poverty problem in the world context. World Bank's latest study comes up with

an unhappy finding: the developing world is poorer than they believed; the number of world's poor reached 1.4 billion. Some of the Bank's critics contend that the figure may be still higher. One wonders if such a gigantic problem can be effectively addressed within the structure of the economic regime that the democratic world adheres to at the moment.

Free market economy has so far not yielded to distributive justice. It is guided by private ownership, individual entrepreneurship, and profit maximisation. Through pursuing the goal of profit maximisation within the remit of ground rules, ethical as they thought, rational economic agents would garner optimal welfare for maximum members in the society.

Tinkering with the system will in the long run result in welfare loss to the society.

Direct transfer -- charity -- is not ruled out in the free market dispensation. A part of the profit may be transferred to the poor for their welfare. It causes no distortion; therefore, it is compatible with the system. Firms and individuals who earn high profit oftener than not part with a paltry amount of profit either through their own foundations or through some other preferred channel. Such charities have at best a limited impact on the staggering problem of poverty transcending the continents.

The greatest weakness of the free market economy is that it fails to ensure a living wage to the working poor, let alone the unemployed who are doomed to languish without any work and income. Many have highlighted the agony of the working poor, but the problem persists much to the embarrassment of the advocates of the untrammelled free market. The problem seems to be deep-rooted.

Profit motive tends to be all-engulfing over time. Firms and

individuals aspire to earn super profit instead of normal profit. They bend to their advantage the rules of the game as enunciated by the forefathers of market economy. They wrest market power in collusion with the ruling elite. A converging of the power groups around the surplus value produces a robust structure of vested interest which cannot be dismantled within liberal democratic framework. The super profit is earned at the cost of consumers on the one hand and the working poor on the other.

Why should a working person toil from dawn to dusk or late evening and yet go to bed half-fed along with family members while the owner of the firm wallows in high profits? Bill Gates has missed this point by exonerating the greedy entrepreneurs who have made their filthy fortunes by exploiting the consumers and working poor with the help of their allies in power.

Philanthropic initiatives by some famous industrialists and businessmen are not new. Starting from Robert Owen, tycoons like John Cadbury, Andrew Carnegie, Henry Ford, Dave Packard, David

Rockefeller, etc spent a part of their wealth for social development. They underscored the need for helping workers and poor people out of the profits earned by the companies. But, while their attitudes and initiatives are recognised, their advice was seldom followed by their fellow industrialists and business houses.

One has no reason to feel optimistic that Bill Gates's advice on "creative capitalism" will be followed earnestly by his fellow entrepreneurs. The lure of lucre may prove too attractive for them. In general their concern for the poor, more specifically for the working poor, is at best limited to lip service only.

What the working poor are entitled to is a decent living wage so that they can make both ends meet at the end of the day. For Dhaka city the minimum monthly living wage will add up to around Tk. 7,500 for a young couple with two children. If the employer provides the housing facility, the requirement will be around Tk. 5,000.

For district town, the figure will be slightly lower. Unfortunately, the working poor in Bangladesh are paid a much lower wage. They are in

perennial distress. The employers are not ready to pay heed to demarches that define "creative capitalism."

The consumers are not helped by the traders or business houses who seem to be bent on making a big killing by using their market power. Prices skyrocket, the consumers and wage earners bear the brunt. No sign of creative capitalism is seen.

Murphy's extended law states that there are simple solutions to very difficult problems, unfortunately most of them are proved wrong in no time. Poverty is a very convoluted problem. It is multi-faceted and its provenance is multi-dimensional. There are problems of trade-offs, growth protection, and clash of group interests.

The problem is further compounded when the preferred system followed by the nation itself breeds poverty. The problems cannot be resolved if the suggested solutions stand to undermine the system. This explains why one would be provoked to say that poverty is a real problem. No virtual move will suffice to address this really stubborn malaise.

Dr. Saadat Husain is Chairman of PSC.

Election Commission in dilemma

Successful election is important. Desire of the people is important. The game of political parties is less important at this stage. The CTG must complete national election successfully for honourable exit and to save the people from growing uncertainty and restlessness.

A.B.M.S. ZAHUR

With hardly 110 days left of 2008 the EC is still deeply involved in dialogue (third round) with the political parties to ensure political reform, political party registration, upazila election, and credible national election by 2008.

As the dialogue is progressing, the political parties have been able to measure the strength and capability of both CTG and EC. The

parties have completed their dialogue with CTG a few days back. Thus almost all the parties are trying to take full advantage of the situation in their favor. To ensure maximum participation of political parties in the national election both CTG and EC are really in a pitiable condition and are ready to concede even some apparently illogical demands of major political parties.

No doubt political parties are sine qua non in a parliamentary democracy. In Bangladesh, the

growth and development of political parties has been somewhat peculiar. All the parties (except JI and the Left ones) have non-democratic origin. All their philosophies originated from their respective founders. Two of these parties, namely BNP and JP, were founded by military dictators.

In regard to development, the AL could not get any favourable situation after the assassination of its founder, Sheikh Mujibur Rahman. Like any other military dictator, Zia founded

the BNP to contest with the AL in popularity, and perhaps, in capability. He was not given enough time by his adversaries to gradually democratise the party. In the BNP constitution chairperson is everything. Its position is almost dictatorial. It is thus not surprising that it degenerated into a dictatorial political party. It now operates purely on the sweet will of the chairperson and close associates.

The AL constitution, though more moderate than other political parties, cannot be considered as democratic -- its chief's position is like a dictator. This results in exodus of fortune-seeking politicians from the party to join other parties to obtain more benefits.

The more talented and dynamic junior or senior leaders are deprived of their voices heard

properly. This results in loss of talented upcoming leaders from the party. However, the uppermost echelon of the party is aware of the need for democratisation. Some leaders of AL started loud thinking about reform. Later on, their enthusiasm died down.

BNP was formed through accommodation of different ideologies. Its initial aim was only legitimising the government of Zia and to contest AL. Zia, as its founder, never felt for democratisation of the party. Its members, the fortune-hunter politicians, never bother about the need for democratisation. Thus, there was no problem. Khaleda, as the successor of Zia, thought more about establishing dynastic rule. During the CTG regime, some reformists tried to democratise the party. As the case of

AL, they also found that establishing a reformed party is beyond their competence and capacity.

In regard to other small parties they are not convinced of any benefit from reforming the present parties for the sake of establishing better democracy.

Till date we are not sure about participation of BNP in dialogue with EC or in election, although now that the party chairperson has been released from custody, the official line is that BNP will both sit for talks and participate in the elections. In fact, due to recent unexpected success, it seems the party has become over-ambitious. It now demands everything -- logical or illogical, relevant or irrelevant.

Like CTG, the Election Commission committed few mis-

takes at the early stage. The first thing it missed was lack of proper study of origin, growth, and behaviour pattern of parties, particularly the major parties. This resulted in their high expectation from the parties. Where the symptom of strong desire of party chiefs to establish dynastic rule emerged most clearly, how can EC expect cooperation from them in establishing democratic parties?

In regard to strengthening the base of democracy, it is natural that central leadership of the parties in their anxiety for losing influence on respective constituencies cannot support the issue. The recent opposition for holding upazila election before national election is the result of its reflection. In short, the EC has not much to expect from the parties in facilitating mission

for upazila election.

The EC will have to think seriously about completing its programs by 2008. Without wishful thinking for cooperation from BNP, it should go ahead on the basis of whatever recommendations have been received so far.

It must not keep itself in dilemma and it must take decisions on the basis of rationality (where necessary). Successful election is important. Desire of the people is important. The game of political parties is less important at this stage. The CTG must complete national election successfully for honourable exit and to save the people from growing uncertainty and restlessness.

The writer is a former Joint Secretary.

Climate change challenges

It is often said that we must act to tackle climate change out of an obligation to future generations. I believe we have an obligation to our own generation.

DOUGLAS ALEXANDER

This year has seen millions of people face drought in Ethiopia; 11 million people affected by flooding in India; and up to 128,000 people killed by the cyclone that struck Burma. Scientists predict that such weather events will only become more frequent and more extreme as a result of climate change.

In December last year I visited Bangladesh and met people who had lost their homes, their possessions and in many cases their loved ones in Cyclone Sidr. I was humbled and inspired by the courage and solidarity they showed in the face of such devastation.

A woman named Lotifa told me

how her family home and all that was in it had been destroyed by the cyclone. We spoke at the ramshackle lean-to made of corrugated iron that she and her two young children now called home. Yet the little her family had -- that basic shelter, and the relief parcels with blankets, cooking pots and soap -- they shared with her friend Hafisa, and her two children.

At a centre run by Save the Children, I met a five-year-old girl, Topo, who lost both of her parents in the cyclone. She told me not of the hardships she faced, but of her hopes and dreams to become a dancer when she is older.

Last week, the UK and Bangladesh governments came together in London to examine the steps that

must be taken to help people better prepare for extreme weather, and to tackle the climate change that will make cyclones, droughts and floods more frequent and more devastating.

Environmentalists coined the phrase "think global, act local." In responding to climate change, we need to act both locally and globally. British aid is helping the people of Bangladesh to adapt to changing weather patterns: helping farmers to turn to fishing, raising homes on pilings in flood-prone areas, and creating floating gardens to protect crops.

We are also helping the government of Bangladesh to prepare for the worst -- indeed when cyclone Sidr struck, some 40,000 volunteers with megaphones and bicycles helped to get more than three mil-

lion people out of harm's way.

The people of Bangladesh may be on the front line of climate change, yet they cannot battle against the rising tides alone. We need to reach a fair and ambitious deal in Copenhagen next year that includes a long-term goal to stabilise greenhouse gases at a level that will avoid dangerous climate change. The G8 meeting in Japan in July laid the groundwork for such an agreement, with leaders committing to a cut in emissions of at least 50 per cent.

The world now has a duty to rise to the challenge and ensure that we support the poorest people of the world -- least responsible for climate change -- to prevent and prepare for its cruellest consequences.

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Douglas Alexander is UK Secretary of State for International Development.

A friend with a golden heart

SELIM SHAMSUL HUDA CHOWDHURY

Abu Mohammad Murtaish, more known as Kochi to his friends and close acquaintances, was an enlightened man with a golden heart, if not a persona extraordinaire. He always extended his helping hand to anyone in distress around him. And very often he extended it beyond his immediate capacity. A legal practitioner by profession, he was a cultural as well as a social activist. But was very short-lived. He passed away when only in his mid-forties, cutting short hopes and expectations of so many around him.

Born to the aristocrat Kaz family of Dhanbari in the district of Tangail in 1957, he did his honours graduation in 1978 and post-graduation in 1979 in law from Dhaka University. He grew up as a cultural organiser from his very boyhood.

His drama career began with the establishment of Podatik Natya

Sangsad in Dhaka in 1978. He discharged responsibility of its general secretary and again as president and successfully played major character roles in almost all plays of Podatik, viz. *Sojan Badiyar Ghat*, *Tin Rostamer Gappo*, *Monoshar Pala*, *Kabar*, *Maa*, *Chandravati*, *Balavapur Rupkatha*, *Ratarati* and most talked about street play, *Khapa Paglar Pyachal*. A powerful character actor he also proved his mettle in direction with the play *Chikitsa Bibhrat*.

In 1978 Kochi also established Bangladesh Ain Samity with his university batchmates and later on discharged the responsibility of its general secretary and again as president with apt popularity. Soft-spoken, almost introverted, dedicated to his assignments, Kochi was very popular not only in the realms of drama and law but also among people from all walks of life. I have seen even some foreigners could not check tears while mourning his

untimely demise. He worked for some time with them in World Bank's Bangladesh Judiciary Capacity Building project before his death. I heard them saying that they had not seen many patriots like him.

He never compromised in matters of policy. For instance, during the autocratic regime of Ershad, while he was posted as Judiciary Munsiff at Monohardi, he was pressurised by different quarters to pass judgement in favour of the influential accused in a case. He did not do that, rather passed his judgement in favour of justice and resigned from the lucrative government service on the same day. He was offered various "benefits" not to leave the job, but he stuck to his decision and started independent legal practice at the Supreme Court, Dhaka.

Abu Mohammad Murtaish Kochi was a bachelor. It may be mentioned here that in Bengali *kochi* means young. One of our friends' wife once told him jokingly "Kochi



Bhai, would you remain *kochi* (young) all life and won't marry?" He replied jovially: "Yes, Bhavi, I want to remain *kochi*!"

In our parlance, an unmarried youth is not generally considered an adult. He proved his words by dying young. He succumbed to a heart attack on September 13, 2002. But he is surviving in our hearts and he will continue to do so. On this 6th anniversary of my friend's death, once again I pray for the salvation of his departed soul.

Selim Shamsul Huda Chowdhury is a cultural organiser.

Timid Obama in serious trouble

LETTER FROM AMERICA

Many Democrats are upset with Obama for not fighting back. Americans do not like a wuss or a sissy. If attacked, they expect a man to fight back. If the monster Grendel attacks Beowulf, they expect Beowulf to shred Grendel to pieces! To their dismay, Obama seems incapable of doing that. And the hour is getting late.

FAKHRUDDIN AHMED

If things do not change drastically for the Democrats soon, American voters will engender the most colossal upset in the history of US presidential elections, by electing Republican John McCain over Democrat Barack Obama.

There has been a ten-point swing in the fortune of the Republican candidate John McCain ever since he picked Governor Sarah Palin of Alaska three weeks ago. Obama used to lead McCain by 3 to 5 points in national polls. All the recent polls show McCain ahead by 3 to 5 points.

Pundits call it the "Sarah Palin" effect. The young, pretty, mother of five with views more right-wing than McCain's, has touched a chord

with women and independents in general and the Republican base in particular. Whereas a McCain rally used to draw 200 to 300 people, these days with Palin by his side, they attract 30,000 people and require outdoor arenas.

Just as Hillary Clinton did not know how to deal with the "Obama phenomenon" in the early stages of the Democratic primary, the Obama campaign does not know how to deal with the Palin tsunami that has hit them! McCain is so energised now that he exudes more enthusiasm, talks much louder, and lies more vigorously about Obama!

Except for her youth and beauty, experts are at a loss to explain why Americans have accorded instant mega-superstar celebrity to this

unknown governor of a frontier state. It is certainly not her experience, national security, or foreign policy acumen. Granted, the Evangelicals are glad to have a true blue religious conservative, (Palin said that America's invasion of Iraq is divinely sanctioned), but what about the rest of the country? Why have they gone berserk?

One possible explanation is that many voters, not excited by the 72-year old, mumbling John McCain, were looking for an excuse to vote for him. The young, vivacious, and articulate Sarah Palin provided them with the excuse, or the cover. They can now say to themselves and their friends that they are not voting for Obama not because he is black, but because Sarah Palin "changes everything."

How Sarah Palin "changes everything" is not up for debate. A white candidate's credentials are never questioned. Sarah Palin has visited just one foreign country, yet her ability to be the commander-in-chief and run the nation's foreign policy are not even issues. The Republicans are making everything about Barack Obama an issue.

Barack Obama himself is in part guilty for his predicament. His fundamental mistake was not picking Hillary Clinton as his running mate; something the writer advocated in this column two months ago. That would have completely neutralized Sarah Palin and energized women to vote Democratic. Now every commentator is saying that Obama should have picked Hillary.

A young man of 47, Obama has a penchant for taking too many vacations. When Russia attacked Georgia in August, Obama was vacationing in Hawaii. It appeared that his whole campaign was also on vacation. McCain seized the moment and attacked Obama ferociously, effectively defining him as weak on foreign policy affairs and

national security matters.

Democrats do not learn from their mistakes. August is the month the Republicans have used to demonize their Democratic opponents. The racist Willie Horton ads were aired by the senior Bush campaign against Michael Dukakis in August 1988, without any response from Dukakis. The "swift boat vets for truth" ads, slandering John Kerry's Vietnam record, was run by Republicans in August 2004, without any response by the Kerry campaign. Obama, in August 2008 remained silent as the Republicans ads bombarded the TV screens, websites and blogs with anti-Obama ads.

The only Democrat to successfully counterattack the Republican smear machine in 1992 and 1996, Bill Clinton, is the only one to defeat the Republicans. Obama met Bill Clinton on Thursday, September 11, in Harlem, to seek his advice.

Republicans do not let the truth stand in their way. Obama supported a widely applauded bill in the Illinois Senate to provide an "age and developmentally appropriate" sex education and to teach kindergarten the dangers of sexual

predators. The McCain campaign ran an ad on the bill saying: "Barack Obama, would like to teach children sex before they can read." The New York Times editorial called the ad "false." The ad also carried a subliminal message that resonates well with many racist whites: a black man is obsessed with sex!

Four times in the last year, most recently in May 2008, John McCain referred to Hillary Clinton's health care plan on camera as "lipstick on a pig." When Obama referred to McCain's plans as "lipstick on a pig," McCain cried foul, accused Obama of calling Sarah Palin a pig, and demanded an apology!

When reporters pointed out that McCain himself had used the same phrase to ridicule Hillary Clinton's health care plan, McCain ignored the reminder and remained accusatory: "Obama should not have said it," he said. Laughably, McCain a Bush clone, is now attempting to snatch the mantle of "change" from Obama!

The problem with Obama is that he is too cerebral, when Americans vote with their gut. Obama does not seem to connect with Americans on a gut level, like Hillary so success-

fully did during the later part of the Democratic primary. Obama is too professorial in his convoluted explanations, when Americans crave for simple one-liners.

That is where Republicans excel. Their messages are short and direct, and, more often than not, lies: "Obama will raise your taxes." (lie) "Obama is the most liberal senator" (lie). "Obama wants to teach children sex before they can read" (lie).

The other day I heard Obama say: "The American people are too intelligent to accept such misrepresentations."

"No they are not!" I shouted. Many Americans believe what they are told. They do not make independent judgments. This false assessment of the intelligence of the American voters doomed Dukakis and Kerry. The Republican assessment is that Americans are dumb and will believe anything they are told.

When Hillary Clinton said in March that Obama cannot win, she meant that he would not be able to stand up to the Republican attack dogs. That was an astute observation. Instinctively, Obama, like Dukakis and Kerry, is a nice person.

He does not like to attack opponents. The Republican candidates, senior Bush, junior Bush, and McCain are downright mean. They have no qualms about shredding their opponents to pieces.

Obama and his campaign need a complete character transformation. If Obama and his campaign want to play nice, they will lose big time. Just as senior Bush campaign manager Lee Atwater boasted in 1988 that he had managed to make the election about tactics rather than issues, the McCain campaign has succeeded in making the 2008 election not about issues but about personalities: Who do you like? Obama/Biden or McCain/Palin? For them, it is a rhetorical question.

Many Democrats are upset with Obama for not fighting back. Americans do not like a wuss or a sissy. If attacked, they expect a man to fight back. If the monster Grendel attacks Beowulf, they expect Beowulf to shred Grendel to pieces! To their dismay, Obama seems incapable of doing that. And the hour is getting late.

Dr. Fakhruddin Ahmed is a Rhodes Scholar and Daily Star columnist.