

REVIEW

"Challenging the Injustice of Poverty" by Rehman Sobhan

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SAMAN KELEGAMA

SOUTH Asia is the second fastest growing region in the world after East Asia. This growth has reduced poverty rates but they have not fallen fast enough to reduce the total number of poor people. This is despite growth being complemented with various poverty alleviation programmes. The number of people living in poverty has actually increased, and South Asia has the largest number of such people. It has nearly 600 million people living on less than \$1.25 a day -- more than in Sub-Saharan Africa.

Why does South Asia have such poverty despite growing economies and the many poverty alleviation programmes in place? Prof. Rehman Sobhan attempts to answer this question in the book and suggest a possible way forward.

Poverty is a subject that has been in the academic debate for many years. It is now an accepted fact that growth alone is inadequate to address the problem of poverty. The international community has recognised this fact and their development assistance today is one way or another linked to poverty alleviation.

Recent initiatives such as Poverty Reduction Strategy Paper (PRSP), Millennium Development Goals (MDG), etc., reflect this, but Prof. Sobhan argues that increased resource flows under these programmes to combat poverty may not be effective unless policy makers address the structural sources of the problem which create and perpetuate poverty. This is the key theme of the book.

The book is an outcome of six years of untiring work specifically on the subject, conducted jointly by the Centre for Policy Dialogue (CPD), Bangladesh and South Asia Centre for Policy Studies (SACEPS), Nepal (as shown in Annex 3C of the book). In order to obtain individual South Asian country specific poverty situations, studies were commissioned to obtain inputs for the book (as shown in Annexures 3A and 3B in the book). So

the arguments developed in this book are an outcome of comprehensive research and extensive dialogue.

At the onset, Prof. Sobhan says: "Our study is predicated on the proposition that the persistence of poverty and growth in inequality derive from the unjust nature of social order which effectively excludes the resource poor from equitable opportunities for participating in the development process." He goes on to say: "Unless the structural injustices which underlie poverty can be corrected, poverty will persist across South Asia." Then he goes on to highlight the possible way forward with interventions to promote a more inclusive development process by illustrating a number of examples from South Asia.

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It is argued that eradicating poverty should thus be measured through the change in opportunity structures for the excluded. It is an attempt to provide a somewhat different, though not necessarily original, interpretation of poverty in South Asia.

The inequitable distribution of opportunities across society between the rich and the excluded is defined as "structural injustice." The term "structural" indicates that exclusion does not derive from the play of market forces but originates in the structural arrangements of society, which determine the working of market forces, as well as the design and functioning of its institutions.

The assumption underlying this structural perspective on poverty recognises that neither targeting of development resources to the excluded, nor the promotion of growth, are likely to resolve the problem of poverty. Prof. Sobhan also shows that it is not enough to recog-

nise the salience of structural issues in the poverty discourse, without addressing the political economy which underlies the structural features of a society.

He highlights four main areas of structural injustice: (a) unequal access to assets, (b) unequal participation in the market, (c) unequal access to human development, and (d) unjust governance.

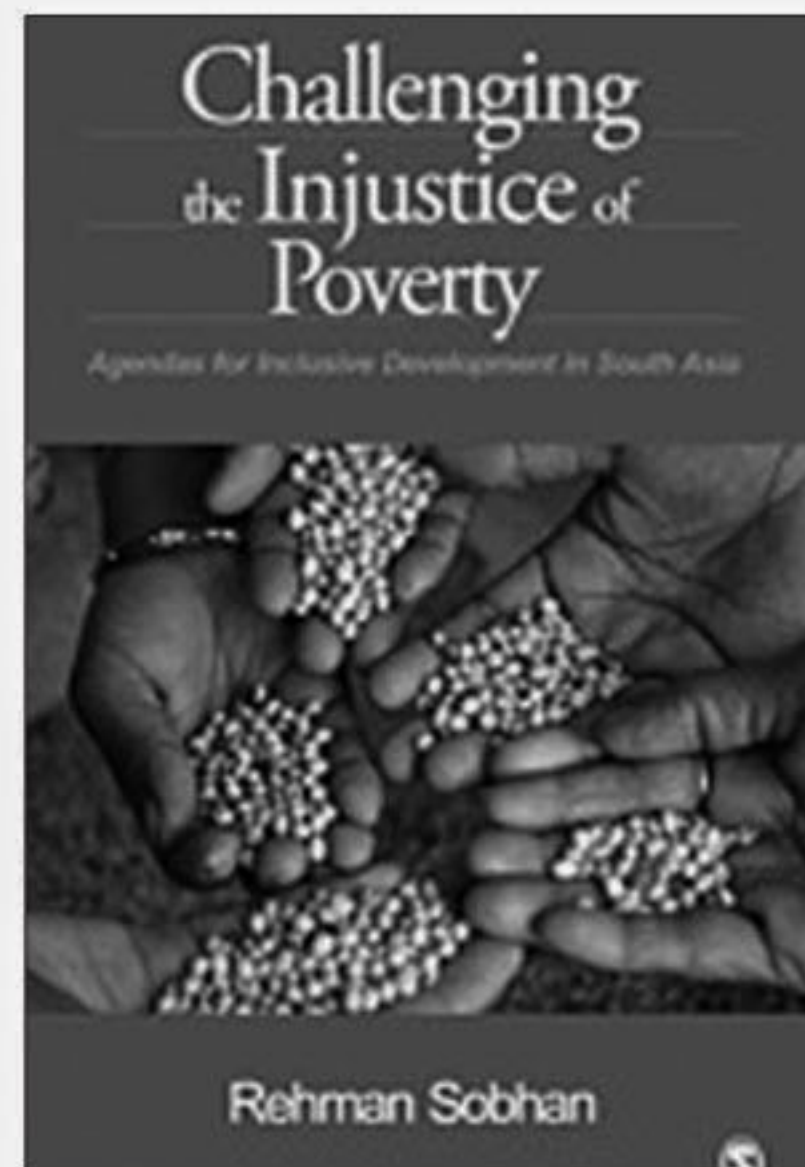
In brief, the above areas are elaborated as follows in the book. In regard to (a), the author argues that inequitable access to wealth and knowledge disempower the excluded from participating competitively in the market place. Historical injustice and political economy are used to show how such exploitative and inequitable structures emerged over the years to prevent the poor having access to land and corporate assets.

In regard to (b), it is argued that the resource poor remain excluded from the more dynamic sectors of the market, i.e. those benefiting from globalisation, due to the prevailing property structure of society. It is shown that the excluded interface with the dynamic sector of the economy only as primary producers or wage earners at the lowest end of the marketing chain where they sell their produce and labour under severely adverse conditions.

The author argues that the incapacity of the excluded to share in the value addition process derives from institution failure, i.e. the incapacity of primary producers to come together through collective action, to enhance their bargaining capacity in the market place.

In regard to (c), the argument is that in an increasingly knowledge-based global economy, which is driving the IT revolution, inequitable access to quality education, relevant to the dynamics of the market, is a major contributory factor for deprivation of the excluded.

In regard to (d), the argument is that institutions of democracy remain unresponsive to the needs of the excluded, both in the design of their policy agendas as well as the selection of their electoral candidates. The author argues that this lack of appropriate political response to the voices of the excluded reflects a form of political market failure in South Asia. It also reflects, according to the author, a form of institutional failure whereby the excluded have remained, as in the economic market place, unable to get themselves heard.



After elaborating on these four areas, Prof. Sobhan makes suggestions on how to correct these injustices. The general recommendation is empowerment of the excluded by strengthening their capacity to participate on more equitable terms in a market economy and democratic polity.

The policy agenda is premised on elevating the excluded from agents into principals through re-positioning them within the process of production, distribution, and governance. The intention is to elevate the excluded from wage earners and tenants to owners of productive assets by investing them with capacity. The author states that democratising access to assets and markets should be backed by equitable access to education and health care.

Re-positioning of the excluded should be built upon strengthening their capacity for collective action -- this is, strengthening their capacity to participate and share the benefits. The author proposes policy interventions in the following areas to empower the excluded:

- Expanding the ownership and control of the excluded over productive assets;
- Strengthening the capacity of the excluded to compete in the market place;
- Designing institutions for collective action by the excluded;
- Enhancing access to quality education;
- Re-designing budgetary policy to reach the excluded; and
- Restructuring financial policy to deliver credit and provide savings instruments to the excluded.

Liberating the productive potential of these millions by investing them with

resources and skills, it is argued, will stimulate, internalise and sustain the growth process across South Asia. This is the more inclusive development process the author advocates while recognising that there will be political economy constraints for rectifying structural injustice. This policy advocacy has some resonance with social-ism of the new school.

The author states that since a broad canvas is covered and the work intrudes into uncharted policy area, the research remains a work in progress, which constantly needs to be fertilised by ongoing dialogue at the professional, policy making, and political levels.

The author also makes the point that injustice of asymmetrical globalisation is not dealt with in the book. It is here that some of the arguments of the author may need detailed scrutiny. Making the excluded the principals, taking collective action against unequal participation in the market, etc., may, in fact, prove to be more difficult with current trends in globalisation.

In the globalised world where capital has become volatile, jobs are vulnerable and disposable; employers disappear into a vague and shady background. Informal work is a clear feature of the current wave of globalisation, and there is a casualisation of formal sector jobs into vague arrangements or no arrangements.

For instance, in Sri Lanka, after three decades of liberalisation, 62% of the workforce is in the informal sector. Moreover, over the years, control of production systems has shifted away from manufacturers into the hands of companies designed mainly to trade in the production of others. Chains of production with lead firm and several suppliers, with the lead firm no longer responsible for the employment relationship and working conditions, is a common phenomenon today.

Not only is production outsourced, labour too is outsourced. Hence, becoming a principal in the production process is possible in traditional and well-established import substitution type of sectors (like the examples the author has given: Amul -- India, Cargill -- Sri Lanka, etc.), and not necessarily in export-oriented industries dominated by FDI and multinational corporations (MNCs). This area will need further research, i.e. identifying production areas where empowerment of excluded (marginalised) is possible via collective action.

In the section on institutions for

promoting collective action, there is a discussion of Employee Share Ownership Programmes (ESOP), but it is not clear how ESOPs would work in the informal sector where most poor labourers work. The fundamental question will arise as to who will take responsibility for establishing an ESOP.

It is suggested that the international community should take this matter of broadening the share ownership by workers in companies they are dealing with but, as highlighted above, international production by MNCs is characterised by splicing the value added chain and shredding labour. Moreover, FDI prefers liberal labour legislation and, therefore, it is doubtful whether the initiative will come from the international community, which is much influenced by the MNCs, unless the demand comes from the consumers in the western world.

These are some of the points that the author can reflect on in the on-going work of this project and when he thinks of writing a Volume 2 to this book. Despite these concerns, the argument on "structural injustice" is valid and important, and it is hoped that this issue will, sooner rather than later, find a place in all poverty related programmes such as PRSP, MDGs, etc., of international institutions.

One can learn a great deal from reading this book. It will open a debate on poverty alleviation once again in South Asia, where there are already two independent South Asian commissions on poverty alleviation reports and, as per the 13th Saarc Summit declaration, Saarc countries have geared themselves to achieve Saarc Development Goals (SDG) by 2015 (in addition to the MDGs). It is indeed a remarkable piece of work on mainstreaming the poor via corporate assets and working out innovative collective arrangements.

The book is a distillation of Prof. Sobhan's thoughts over a lifetime of reading, thinking, contemplating and acting. He has combined great analytical skills with deep scholarship, and brought home some key factors that determine poverty in the South Asian region. It is a must read for all those who are interested in the subject.

Review based on a speech delivered at the launch of the book at the Indian International Centre, Delhi on 16 September 2010.

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War crimes trial: Dividing the nation?

The PM has rightly urged the opposition leader not to throw the country into chaos by opposing the trials of war criminals. Citing a recent poll result that 88% of the people support the trial, the PM reiterated that the entire nation wants the trial, and the international community is also extending support for that.

MOZAMMEL H. KHAN

AT last, the BNP chairperson has made clear her position vis-à-vis the trial of local perpetrators of crimes against humanity committed in 1971. Until her recent unequivocal statement, BNP leaders of different levels were making nebulous, and at times contradictory, declarations on the issue, which only made their stance confusing to say the least.

She called the trial "a conspiracy to throw the nation into chaos in the name of war crimes trial four decades after the general amnesty to the collaborators." She further asserted that plots were also being hatched to use the independence war as a tool to divide the nation.

In her contention about the general amnesty, she has distorted the fact since, as a former PM, she is aware, more than any ordinary citizen, of the documentary evidence that general amnesty was granted only to those who were not involved in heinous crimes like killing, rape and arson.

Firstly, she has termed the trial of war criminals as a conspiracy. However, the intention of the trial of war criminals is not and has never been "a secret agreement" and is not "an unlawful act to use such means to accomplish a lawful end," as conspiracy is defined. It is being pursued as per International Crimes (Tribunal) Act 1973 duly modified in July 2009.

The ruling coalition strongly asserted its resolve to try the war criminals in its election platform of 2008. Due to the relentless campaign of the Sector Commanders' Forum, in conjunction with the conscious citizens, there has been a huge resurrection of the hatred, especially among the members of the new generation, against those who directly collaborated with the perpetrators of one of the worst genocides of human history.

Concerted campaigns are being pursued by our conscious citizens living in every corner of world to mobilise international support and counter any propaganda, in the name of human rights, waged by the supporters and cohorts of the alleged war criminals. Only the

other day, a seminar was held in Toronto and the attendees voluntarily donated money, which was sent to the PM to help offset the expenses of the trial process.

The government, as per its resounding election mandate, brought the issue to numerous international forums, including the United Nations, declaring the inalienable right of the people of Bangladesh to bring the perpetrators of the crimes to book in an open and fair trial.

The investigation of the alleged crimes against humanity are being conducted, and the subsequent trials are slated to take place as per law of the land, and the accused are entitled to avail all legal avenues to defend themselves in an open court.

Secondly, the opposition leader has warned that the trial could plunge the nation into "chaos." The question is who is going to create the chaos? Is she referring to street chaos that could be created by the supporters of the alleged perpetrators? Are their numbers big enough to create any street chaos?

Of course, the BNP chief has enough diehard party loyalists who are likely to take to the street if she desires so. However, at the end, she is going to lose the day as people's pulses are out of tune with her assertion.

The PM has rightly urged the opposition leader not to throw the country into chaos by opposing the trials of war criminals. Citing a recent poll

result that 88% of the people support the trial, the PM reiterated that the entire nation wants the trial, and the international community is also extending support for that.

Thirdly, the BNP chief termed the trial an "ill motivated" attempt to "divide the nation." Any nation that has liberated itself from the yoke of foreign domination, either through an armed struggle or through political negotiation, carried the support of bulk of its citizens, albeit not the support of each and every of its citizens. There were collaborators with the occupation or colonial powers at all times.

Even during the Japanese and German occupations of countries in Asia and Europe during World War II, people collaborated with the occupation forces. However, their numbers were so insignificant as compared to the number of people who fought for and supported their liberation that it was never considered that the nations were divided in their quest for freedom.

In the liberation war of 1971, there were varying estimates about the percentage of people who directly or indirectly collaborated with the occupation power. In the words of Pakistani General Rao Farman Ali: "90% of the people of Bangladesh were taken in by the magical power of Sheikh Mujib, and they were ready to sacrifice their lives for the creation of Bangladesh."

If this estimate had validity,



The nation demands the trial.

there were 10% of people who sided with the Pakistani forces. This number is statistically the same as the number of people who currently do not want see the war criminals brought to book.

In all the countries that achieved freedom through armed struggle, the collaborators, more or less, met a similar kind of fate in the aftermath of the liberation. In China, many of them faced a firing squad after a brief trial. In Singapore, those who were pardoned for their relatively light crimes were never given any government position in the liberated country.

In a lecture to the current generation, the founding PM of Singapore Mr. Lee Kwan Yew once said that the principal impetus of

Singapore's elevation from an underdeveloped country to a modern developed nation in a span of forty years came from its determined policy of not involving those traitors in the affairs of the state.

In Europe and North America, beside the Nuremberg trials, Nazi collaborators are still being haunted and sent back for trial in the countries where the crimes had been committed. These trials have only united these nations in their resolve to dispense justice to the victims and their surviving inheritors, thereby embedding profound patriotism in the mindset of their people. Why should Bangladesh be any different?

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