

Hopeconomics

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MAMUN RASHID

DURING my recent US visit, I met a childhood friend who was in a very hyped-up mood. As many of our expatriate well-wishers, he could not help following the home country's news flashes through online news sites. He talked about how travel to villages/home towns had turned into a nightmare before Eids due to pressure on the transport system and road accidents, about Bangladesh being one of the most climate-vulnerable countries, and the recent news.

He asked how, despite all the negative news, I could be so hopeful about our country. I told him to check out the latest list of "Top 10 best value destinations for 2011" recommended by famous travel journal Lonely Planet, in which Bangladesh was at the top with its most hospitable people and some virgin travel spots.

I am hopeful about the future of Bangladesh, if not extremely exuberant. Late Finance Minister M. Saifur Rahman used to say: "Managing 16 crore people in an area of 143,998 square kilometers is a challenge in itself." With 1,127 people per sq. km, we are among the top 10 most densely populated countries.

Leaders had made wrong decisions in the past, the intellectuals did their share by criticising the leaders without even embarking on their part of the job, but life went on and we have progressed despite all the challenges. We must give the due credit to the people (be it farmers, garments workers and people working abroad) of the country,

who proved their resilience time and again.

The entrepreneurship and enterprising spirit by the youngsters is a heartening factor for an emerging economy like ours. It is the very thing that will drive the country forward. In very few countries are people so enterprising, so enthusiastic. We have a large young population with a median age of 23 years. It is up to us to use this demographic factor as an opportunity rather than a threat. We just need to focus on individual capacity building, train them in the areas that really matter, and put the right people in the right jobs.

It is a pleasure to see a few rare people who forego the steep ladder of a high-paying multi-national company job to venture into other projects. More and more women are also joining the work force, and the number of joint income families is on the rise. Because of that, it is becoming possible to forego financial security to pursue a dream project and embrace the risks associated with it. Without the financial support of the earning life partner, this trend may not have been possible. A young generation of men and women in the work force, who work hard to achieve what they want, change their fates, and try to live life to the fullest, have brought in a refreshing change in the corporate world.

Regional and global seniors from multinational corporations visit Bangladesh with a mindset shaped by the international media but, 90% of the time, they go back with a changed and positive perspective. The positive vibes they get from speaking to the

young executives, entrepreneurs, economists, intellectuals, regulators and other stakeholders convince them.

Macro-economic indicators tell the story with no-nonsense solid facts. Natural calamities like floods and cyclones create havoc in the agricultural sector, but the economy has still been able to manage a steady 6.4% growth rate over the past 3 years. GDP per capita, which was only \$447 four years back, reached \$684 in FY2010. Remittances from wage earners reached \$10.9 billion in fiscal year 2009-2010, contributing more than 10% of GDP.

10 years back, inward remittance in a single fiscal was less than one-fifth of the current annual average. The inflows are expected to remain stable, albeit with slight ups and downs, especially in the Middle East. Bangladesh is one of the 12 countries that achieved export growth in FY2009-2010 amidst global economic slowdown, reaching export proceeds of \$16.2 billion. Exports in Q1 FY '11 showed an impressive 30% growth.

The RMG sector has emerged, contributing over \$10 billion to export proceeds, which was less than \$3 million in the early '80s when industrialisation began. Thanks to remittance, and with exports and domestic business rising, dependency on foreign aid has now been significantly reduced to 2% of GDP from the 6% range in the '80s.

Inflation remains a concern but the regulators have been successful in keeping it within single digit rate even in the face of policy constraints. The central bank has taken measures to revive the agricultural sector, divert fund flows to the productive sectors like alternative energy, bring in rural population into the live economy, thereby ensuring shifting of the terms of trade in favour of rural Bangladesh. Rice and wheat production reached 33 million metric tons, compared with



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mid '80s production of 11 million tons in total. We are nearly there in achieving self-sufficiency in food.

Many a time we have criticised the regulators for their conservative attitude and less open-mindedness to the dynamic changes in the world. But in some cases, that has proved to be a blessing in disguise for us. Too much externalisation took its toll on Vietnam recently and on the south east Asian economies in the end nineties, whereas we remained almost immune to outside storms due to lower level of externalisation.

We have made good progress in the Millennium Development Goals (MDGs) front. The population below poverty line has come down from 56% to 40%. Under-5 child mortality rate fell substantially from 146 to 67 per

1000 live births. Infant mortality rate came down from 92 to 45 per 1000 live births. Number of maternal deaths per 100,000 live births declined from 574 to 384. Considering the large population base, a 91% primary education rate is commendable, compared to the 60.5% range of the past.

The media has more or less achieved a reasonable level of freedom. However, as the media has gained more freedom, we expect more accountability for facts and figures from the conscience of the nation.

The reform agenda has been identified, although implementation is a bit slow as intellectual power is lacking at the right place at the right time. We temporarily got diverted from democracy as a result of political intolerance, and the interim government's tenurer

was extended. Ultimately, democracy was reestablished, and proved that for Bangladesh, democracy is the acceptable answer, though major players should show tolerance, and respect for differing opinion.

True, we need to be more integrated with the global market, establish rule of law without differentiating between pauper and prince, and bring discipline and ethics among the key position holders in the society, whom the people look up to. Tolerance, accountability, mutual respect, governance, diversity and transparency should bear the same meaning here in Bangladesh too. Thus, we will establish ourselves in the league of respected nations.

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Impacts of AIDS on social capital



MARK WIEBER

ous effect on the economic and social welfare of any country. This is especially true for those weak economies that are generally characteristics of countries with high HIV prevalence. This is where we can draw comfort, as it seems that Bangladesh with a low prevalence should not worry about it. But a closer inspection may reveal otherwise.

If we consider the determinants and one of the most affected groups only, we may get an indication of an alarming future for us. First, we will consider the spread of Aids through sexual transmission among migrant workers. Bangladesh's economy is mainly consumption-based and is seeing a healthy growth in remittance thanks to the back-breaking toil of our migrant brothers and sisters. A good number among them stay in the foreign countries for most part of their life. The concentration of male migrant workers increases the demand for commercial sex and helps in facilitating the spread of HIV (Hunt, 1989). As more and more people are going abroad every year, the threat is only compounding.

In most cases, these migrants are the only bread earners of their families, and studies show that if the infected person is the breadwinner the family suffers financially due to the loss of earnings and increased expenditure for medical care (United Nations, 2004). During the period of illness and after the death of the victim, lack of income and the cost of care can force households to spend their savings, sell their productive assets and borrow money. This causes many Aids affected households to make a rapid transition into poverty. Reduced levels of consumption in Aids-affected households, including reduced food consumption, may also result in malnutrition (United Nations, 2004).

Our migrant labour force faces the danger of contracting Aids because of various reasons, ranging from sexual transmission, exposure to blood, to gender inequities, mobility etc. This could put our country in jeopardy and GDP could be reduced due to the deaths of these active people because of Aids.

The loss of social capital or the long-term adverse effect on human capital is not taken into account when the impacts of Aids are estimated. The effects of lowered investment in the

human capital of younger generations will affect economic performance in the future.

Aids normally affects those who have the fewest economic and social resources. It deepens poverty and increases the number of the poor at risk of infection, because those with the fewest resources have the least access to health-care services or health-related information. When we talk about the effect of HIV/Aids epidemic on development, we normally consider material advancement or achievement only. But development is a holistic concept covering social advancement also. A nation's attainment of a long and healthy life for its population is one of the main defining features of successful development. The effect of the epidemic on mortality itself represents a loss of welfare and a loss of GDP (Jamison, Sachs and Wang, 2001).

Along with its effects on GDP, HIV/Aids is likely to increase income inequality and poverty. It changes and impoverishes households and weakens inter-generational support systems. If HIV becomes highly prevalent in rural areas, it will cause a reduction in agricultural production, which will lead to food insecurity. Its deadly effect just does not end there as it also strains health-care resources; erodes educational progress and, with diminished labour force, can increase costs for businesses. HIV/Aids reduces investment in human capital and has profound and long-lasting effects on a country's social and economic development.

HIV/Aids represents a significant barrier to development on a number of dimensions. The implications of the disease in terms of productivity, human capital and savings imply a manifold detrimental effect for any society. As a developing country, low prevalence of HIV in Bangladesh just might be the tip of an iceberg. So it is high time we took appropriate measures for stopping this epidemic and for cautioning the younger generation against this deadly blight.

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Human health is at the centre of climate change

POONAM KHETRAPAL SINGH

AS the global community deliberates at the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Cancun, Mexico, countries in South-East Asia are faced with the task of ensuring that regional concerns are addressed in discussions of the impact of climate change on human health.

Climate change strikes at the basic pillars of life -- water, food, air and the ecosystem. Island nations like Maldives, mountainous countries like Bhutan and Nepal, and countries like Bangladesh, Indonesia, India, Sri Lanka and Thailand with large populations living along the coast are most vulnerable. More frequent extreme weather events is one of the expected manifestations of climate change.

The region has in the last few years experienced cyclones, floods and heat waves that have killed thousands and left millions more homeless. In addition, climate change is expected to increase the burden of malnutrition, diarrhoea, malaria and dengue, all of which are climate-sensitive. Such effects are likely to overwhelm the already overburdened health infrastructure in the region.

The UNFCCC recognised the adverse impact of climate change on human health in 1992. It urged parties to formulate policies and actions to minimise the adverse effects on economy, public health and the quality of the environment.

Yet, 17 years later, only 1 of the 47 nations mentioned human health as a consideration in the preparatory submissions to the UNFCCC negotiations for the Copenhagen meeting in December 2009. This silence about health indicates a serious blind spot. Human health seems to be lost in the debate on climate change science, emissions targets and trading, differential responsibilities and threats to livelihoods and shelter.

The evidence is clear: climate change will directly impact human health. It is time to act now. Resources need to be channelled to support adaptation measures by the health and environment sectors. The global community needs to support efforts, technically and financially, to protect health from climate change in this region. Health research to estimate the economic impact of climate sensitive diseases on developing countries need to be prioritised.

Countries from South-East Asia have demonstrated political will at the highest level. This is evident in the New Delhi Declaration by the health ministers from 11 countries of the region in 2008, which was reiterated more recently by a conference of regional members of parliaments at Thimphu, Bhutan, and in the Dhaka declaration by ministers and senior officers from ministries of health and environment.

But the health effects of climate change -- and the damage -- are already upon us. It is time for the countries that are most vulnerable to climate change to voice their concerns and ensure that human health becomes the central theme for climate change discussions and agreements.

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SHAMMUNUL ISLAM and M. MIZANUR RAHMAN

ACQUIRED Immunodeficiency Syndrome (Aids) Day is observed on December 1. It is time for us to ponder over our present situation and the link between Aids and development because it has the potential to debilitate and even thwart the process of development itself. Aids is caused by deficiency of the immune system, which stems from infection with Human Immunodeficiency Virus (HIV). This pandemic has the potential of affecting our society in a very adverse way, as determinants of HIV are highly prevalent

in our society, which portends an ominous future for us.

Bangladesh still has a relatively low level of HIV affected people in the most-at-risk population groups, with the exception of injecting drug users (IDU) where prevalence is on a rising trend. According to an estimate by UNAIDS about 12,000 Bangladeshis were infected with HIV at the end of 2007. Although overall HIV prevalence remains under 0.1% among the general population in Bangladesh, there are risk factors that could fuel the spread of HIV among high-risk groups.

The HIV/Aids epidemic has an insidi-