

Is Bangladesh an LDC?

Bangladesh may be the fifth or sixth lucky nation to carve its way out of the LDC label if the public sector and the private sector sit together to formulate a very specific, quantitative, measurable and time-bound strategy.

MAMUN RASHID

I am having a tough time convincing a friend in United States about Bangladesh's LDC status. He thinks Bangladesh is equal to India, Pakistan and Sri Lanka, however these nations do not belong to LDC group. He takes me to a US diplomat who has worked in India, China, Bangladesh and Latin America. He thinks that Bangladesh, because it competes with India, China and Vietnam (all developing countries, if not developed) in apparel exports, is not an LDC, not to talk about its strong macro and social fundamentals despite the recent global meltdown and impact on its peers.

I would humbly give my take on the rekindled controversy on whether the LDC status is a blessing or a curse for Bangladesh. Should we thrive for economic growth by taking advantage of the LDC status and passively try to be on the list? Or should we

funds does not help us. Inefficient implementation blurs our status as a fourth world country!

The main logic behind keeping Bangladesh as an LDC is possible duty-free access to US markets. This has become like a golden deer we are chasing. True, we are getting Generalized System of Preferences (GSP) in RMG/textile trade from UK as an LDC. But Pakistan, Sri Lanka and Vietnam are getting many privileges from US, UK and other developed countries in case of international trade without being LDC.

Ways out:

While we are not able to reap the benefits of the "least developed" seal, we are facing the downside. The biggest problem is the image. It is the image that made it possible for a country like Ghana, which has every reason to be an LDC, keep its identity card clean from this sympathetic seal.



Human development index (HDI):

Nutrition, health, education, adult literacy rate are the major components of HDI. I reiterate that human capital is our most critical resource. Instead of being embarrassed with the 16 crore people hustling and bustling in an area of 143,998 square kilometers, we should shift our focus to the working age population (15-64 years), which is 63% of our total population.

If we educate them and convert into literate, semi-skilled and skilled resources, and export them to labour-hungry countries, it will have a multi-faceted effect. Unemployment rate will go down, their income will be added in the GNI figure, they will bring in more foreign exchange than they would have earned in the local market in BDT, and remittance will grow. This one strategy will positively impact the GNI and HDI criteria.

A mental barrier or guilt conscience sometimes works when migrating to another country. We have come out of this "brain drain" fear for the time being. A person becomes unpatriotic in the eyes of his relatives just because he refuses to stay unemployed in his hometown. Maybe he is better off using his skills in another country and doing advocacy for his home country.

We need voices that will speak for Bangladesh in the international forums, and who can do that job better than this expatriate workforce? Reverse brain drain will take place automatically, as seen in case of India, but you cannot blackmail a talented person to compromise his global career with a noble emotion like patriotism.

If we want to export workers for mutual benefit, it is our moral duty to ensure the minimum nutrition and health of their children and spouses living in Bangladeshi villages and receiving the remittances.

Economic vulnerability index (EVI):

EVI is based on 7 indicators -- population size, remoteness, merchandise export concentration, share of agriculture, forestry and fisher-

ies in GDP; homelessness due to natural disasters, instability of agricultural production, instability of exports of goods and services.

As we can see, controlling population impacts all 3 criteria as it increases the GNI per capita, makes managing the HDI factors easier and directly impacts the EVI. Bangladesh is one of the 12 countries that achieved exports growth last year. In the long-term, we need to keep up the growth momentum of RMG, but we also need to diversify the exports proceeds in terms of both markets and products. Domestic and foreign investments are showing double-digit growth.

To the outside world, Bangladesh is one of the 49 LDCs as per the UN, which is enough for an investor to form an impression. Trust me; no investor has the time to delve into the matter if we ourselves are too busy collecting donations. We cannot draw a rosy picture of our economic prosperity to the help of investors, and at the same time ask for outside as a weak nation. We have got to choose our strategy, which should be to fight rather than beg. I am all in for fighting a battle and being defeated gracefully rather than live on the sympathy of the opponent.

While Ghana declined to be in the list in early 1990s, Botswana was the first country to graduate from LDC status in 1994. Cape Verde is the second country to graduate in 2007 and countries like Samoa, Maldives and Equatorial Guinea are said to be in the queue. Bangladesh may be the fifth or sixth lucky nation to carve its way out of the LDC label if the public sector and the private sector sit together to formulate a very specific, quantitative, measurable and time-bound strategy.

The exit should also influence the concerned authorities to undertake more structural reforms to facilitate the private sector to be more competitive with other developing countries, which has to happen. Good Luck my beloved, Bangladesh!

Mamun Rashid is a banker and economic analyst.



Santa, send me bandages!

THE Christmas party is in full swing. I glance at my list. "The first lucky child to meet Santa will be Min-Min, aged three," I announce.

A woman steps out of the crowd, hands her screaming toddler to me, and then retreats to take a photo.

I attempt to hand the shrieking, kicking, wriggling child to the huge, scary, bearded, red-suited man seated nearby.

Min-Min, crazed with fear, turns into a 12-kg Mike Tyson.

"Ha ha ha!" Santa and I chuckle good-naturedly as she lets out a 4,000-decibel scream, which bursts our eardrums.

"How charming!" I say as she bites through the anti-brachial vein in my wrist.

"How adorable," we chant as she rips off Santa's beard and lands a roundhouse kick on my genitalia, causing me to temporarily black out.

Regaining consciousness and fashioning a quick tourniquet from tinsel to stem the blood loss, I look down at my list of children. One down, 42 to go.

Yes, it's Christmas. People misunderstand this season. It's really a very challenging growing-up experience for all concerned, children and adults.

Two days later, your bandaged narrator is playing the role of The Storyteller in a theatre production of "The Snowman," starring the City Chamber Orchestra of Hong Kong. At this event, I am on stage, a safe distance from a sea of two-legged piranhas, i.e. the children.

At the end of the show, Santa Claus bursts through the door at the back of the auditorium.

The plan was for the orchestra to strike up a verse of "Sleigh Ride" as Santa strides down the aisle to join us on stage, making a short but witty speech ("Ho ho ho").

But as soon as Santa appears, a stream of excitement rises from the children.

These kids are older and smarter than the earlier crowd and know they have an advantage in terms of mass. They climb out of their seats and mob him. Dozens, then scores of children besiege him, demanding gifts with menaces.

Santa disappears entirely underneath hundreds of tiny legs.

The orchestra manfully continues to play extra verses of "Sleigh Ride." Minutes pass. Has Santa been crushed to death by several tons of sticky-fingered, snot-encrusted young flesh? I removed my Christmas hat as a mark of respect. What a way to go.

As the orchestra played the 95th repeat of "Sleigh Ride," I was gripped by a kind of madness, or perhaps it was the Christmas spirit (a pint of eggnog consumed earlier).

Leaping off the stage, I ran up the aisle and waded into the shoulder-deep pile of squirming children. Somehow I managed to clear a space for Santa to make it to the front without killing anybody.

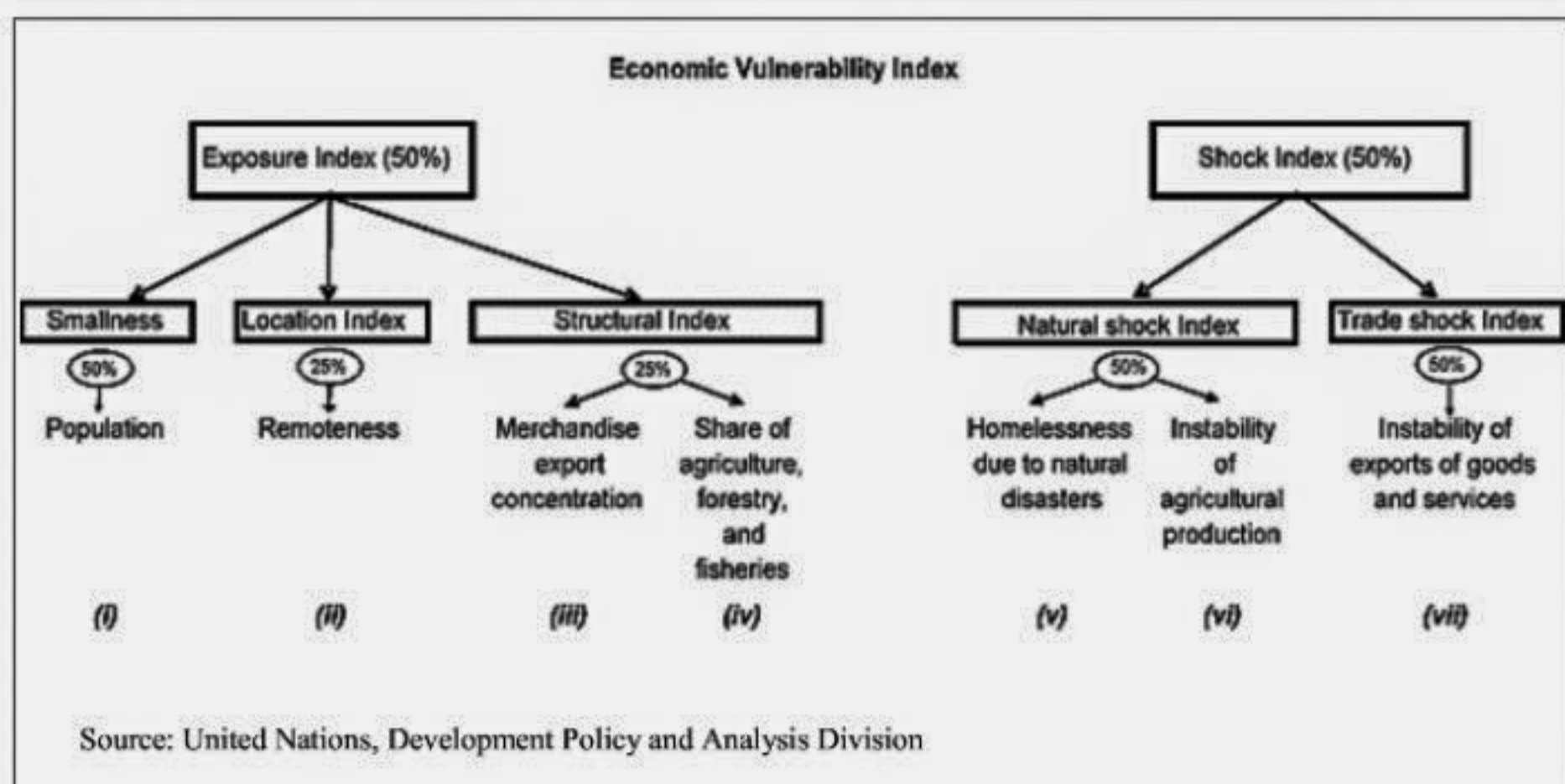
A musician whispers to me as I get back onto the stage: "Well done. I thought Santa was dead."

I shake my head: "Now you know why he wears all that padding."

In the foyer afterwards, I autographed a few programmes.

But then I saw Min-Min and her entire kindergarten class approaching. They were no longer scared, which made them more dangerous than ever. I flee. My medical insurance has suffered enough this season. Happy Christmas.

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aggressively pitch for graduation in the upcoming fourth UN LDC Conference in 2011?

Benefits of LDC status:

The UN has several forms of aid for LDCs under aid architecture. The interest rate is relatively low and the tenure is longer, so that the LDC can use the money for development. The problem is that we are not able to use this fund for development. The government can ensure the proper utilisation of these long-term funds by planned decision-making and long-term planning. But we see that implementation of the annual development plan is not speedy at all.

Besides, there are several conditions attached with these loans. But, while implementing these conditions through political decision-making, the bigger picture is ignored. This in turn narrows the path of development rather than widening it. As such, being marked as one of the "weakest and poorest" nations for the sake of these

On the other hand, when international media cover Bangladesh, we are more worried than wooed. Because, whenever the name of Bangladesh is uttered it is followed by a tear-inducing story of an unskilled population defeated by natural calamities, an unbelieving level of corruption and pervasive poverty. All these adjectives are associated with the least developed countries of Africa. This perception of the outside world has positioned us in the same row with the trouble-stricken countries of Africa, not with similar/competing countries like Pakistan, Sri Lanka and Vietnam.

GNI per capita:

At the current 6% total GNI growth rate, it will take Bangladesh about 10 years to exceed \$1,086 on 3-year average basis from the current \$750+ level. The obvious way to drive the GNI per capita higher is to push the total GNI growth (numerator) upward and push the population growth (denominator) downward.

China's different strokes

Beijing can play a role in persuading New Delhi and Islamabad to have sustainable dialogues for the resolution of all outstanding issues, including Kashmir. China has done well in entering into deals worth \$16 billion in India and \$12 billion in Pakistan.

KULDIP NAYAR

ONE did not have to be an expert on China to anticipate that the visit of Prime Minister Wen Jiabao to India would be a flop and the one to Pakistan a success. This happened along the expected lines. There was no surprise either in New Delhi or in Islamabad.

The joint statements issued in the two countries say it all. India refused to follow "one China" policy which meant that it did not recognise Beijing's sovereignty over Tibet and Taiwan. This was a departure from New Delhi's stand in the earlier three joint statements. Wen Jiabao refused to mention in the joint statement that Kashmir was India's integral part. What it would have meant was Beijing's barter of "one China" for Kashmir. He did not do so keeping in mind Pakistan's sensitivities.

In sharp contrast, Pakistan not only enunciated "one China" policy but also condemned "any attempt to undermine China's sovereignty and territorial integrity." Obviously, the sling was directed at India and to reemphasize that China had in Pakistan a "trusted and reliable" friend.

The Chinese Prime Minister was, however, careful not to say anything on Kashmir in New Delhi as well as in Islamabad. Pakistan Prime Minister Yousuf Reza Gilani said in a speech at the banquet in honour of the Chinese premier that the solution of Kashmir would

usher in a new era of peace and prosperity in South Asia. It was bait for the Chinese Prime Minister who preferred to stay silent. Even otherwise, Beijing has maintained that it wants India and Pakistan to resolve the question of Kashmir between the two.

However, China has started from the last year issuing stapled visas to the people from Jammu and Kashmir. This is, no doubt, a departure from Beijing's earlier stand. But it conveys to New Delhi that Beijing regards J and K as a disputed territory. The new Chinese approach also reveals that India's problem could be much larger than the question of stapled visas. It may well be that Beijing has a question mark against India's sovereignty over Jammu and Kashmir.

Yet, before the visit of the Chinese Prime Minister, the word from Beijing was that the stapled visa was an administrative matter, not a political issue. New Delhi did not bring it up until the end when Wen Jiabao took the initiative of mentioning the stapled visa. He did not pursue the subject despite New Delhi's desire to do so. After Wen Jiabao's return to Beijing, the Indian embassy has said that the matter has been entrusted to officials to sort it out.

The point on which the two sides strongly differed was terrorism. India was first keen on China mentioning the 26/11 attack on Mumbai in their joint statement. When Wen Jiabao refused to do that, India merely wanted a reference to

the word "terrorism." Yet the Chinese Prime Minister did not agree to it, probably because he was to visit Pakistan one day later. However, he did mention terrorism during his stay in Islamabad while praising Pakistan for its efforts towards terrorism, countering criticism from many quarters that it is not doing enough. The reference was obviously to India and the US.

However, India should have known Beijing's stand when it made it clear on the eve of Wen Jiabao's departure that the Chinese government would play no role in pressuring Pakistan to crack down on terrorist groups operating on its soil. Beijing reiterated its position that cross-border terrorism and Kashmir were issues for India and Pakistan to resolve.

India's real worry is over the nibbling at "its territory" by China. The media has extensively followed a story which appeared in one of the leading English dailies in Delhi. The story said that China had shown the length of the border with India around 2,000 kilometres as against 3,500 kms it would mention earlier. In an interview with the Indian ambassador to China, S Jaishankar, the Global Times, the official organ of the Chinese Communist Party, asked about the reported tensions on the border. In response Jaishankar said: "The reality contradicts any alarmist depiction of the situation on the border, whether in India or in China. We have a long common border of 3,488 kms." While publishing the interview, the editors added in parenthesis: "There is no settled length of the common border. The Chinese government often refers to the border length as being about 2,000 kms."

Probably, China has deducted the border along Kashmir and Tibet from the length it had mentioned earlier. This has come when India is already smarting under the Chinese "occupation" of nearly 5,000 square miles of Shakigam Valley in



the "Azad Kashmir" ceded by General Mohammed Ayub to Beijing. To have a dig at India, the general did so in March 1963, within less than six months after the India-China war in the third week of October 1962. New Delhi fear is that Beijing may push itself as a party in the Kashmir problem which is so far confined to India, Pakistan and the Kashmiris.

It is apparent that India and Pakistan have gone still more distant. One is going towards America and the other towards China. In fact, both New Delhi and Islamabad may be sucked into the ensuing cold war between the two. America has its own designs to serve in the region as the Wikileaks disclosures show and China its own interest. When will India

and Pakistan realise -- and they will do so one day -- that South Asia is neither for America nor China to boss over them. It is for the South Asians who should develop into a common market as Europe has done, with soft borders and free trade. Only then can the region come up.

India being a developed country compared to others in the region should ensure that the playing field is made level. There should be more tariffs on the Indian goods because they are products of a country which has better economy and faster growth rate. India's technology should be available to the countries in the region.

Beijing can, however, play a role in

persuading New Delhi and Islamabad to have sustainable dialogues for the resolution of all outstanding issues, including Kashmir. China has done well in entering into deals worth \$16 billion in India and \$12 billion in Pakistan. Strangely the trade between the two countries is only a fraction of their deals with China.

Even if these deals are to fructify in real sense of the term, New Delhi and Islamabad have to develop confidence in each other. This may not be possible if both continue to arm themselves because the presence of weapons indicates the absence of peace. EOM

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