

"The idea behind BRAC is to change systems of inequity"

With the announcement of the 2017 edition of the Top 500 NGOs, NGO Advisor decided to launch a series of interviews with executives of organisations that are part of the rankings, 'the Ivy League of the "for-good" world.' Sir Fazle Hasan Abed, Founder and Chairperson of BRAC, opened the series as 'the most influential and impactful for-good organisation worldwide.' An excerpt from the interview by Jean-Christophe Nothias is published here.

JCN: Being ranked #1 again in 2017 is an achievement and a fantastic recognition, but it is also challenging. Is there a "too big to fail" risk associated with BRAC?

Sir Fazle Hasan Abed (Sir Fazle): First, on behalf of the entire BRAC family, allow me to express my deepest gratitude for NGO Advisor's recognition. There are many civil society organisations in the world today working diligently to bring about change in their societies. For BRAC to be placed at or near the top of such a list is a great honour indeed.

I would not say BRAC could ever be "too big to fail." In Bangladesh, many of the functions that previously only BRAC and other nongovernmental organisations were able to provide are increasingly performed by the State. Successive governments in Bangladesh have been able to reach many more communities through State primary schools, for instance. We see this as a sign of great success.

I would add that "failure" is not seen as a bad thing at BRAC. I have always encouraged our staff to view failure as an opportunity to improve the services we provide. During our child survival campaign of the 1980s, our earliest pilots were actually a disaster. This was BRAC's first attempt to go to a nationwide scale, with a training program that taught rural women how to mix and administer their own oral rehydration solution for children's diarrhoea using locally available water, sugar and salt. At first, fewer than 10 percent of the mothers we had trained actually used the solution. We revised the training again and again until we achieved a 100 percent success rate, and then scaled it up to reach every mother in Bangladesh.

JCN: As we explore the non-profit world looking for excellence, it seems like successful organisations are designed more like 'systems' than specialised ventures. BRAC addresses a diversity of concerns and embeds many different types of entities to act, some being non-profit, some for-profit corporations. Do you believe this is the future, in order to have a lasting impact and be sustainable? Will social enterprise revolutionise a non-profit sector that is still

sticking to the charity approach?

Sir Fazle: The idea behind BRAC is to change systems of inequity, that is true. There are some BRAC programs, however, such as our ultra-poor graduation program, which are always likely to require some level of subsidy. I would not call this a "charity approach", however, since the aim is always to graduate the poorest into sustainable livelihoods, instead of remaining reliant on others.

There are many ways to change the basic conditions of society. One is the social enterprise approach. To use one example—BRAC built a dairy company called Aarong Dairy, which purchases milk from women farmers many of whom took microloans to buy cows. It is now the largest private dairy company in Bangladesh. This represents one way to create greater opportunities for the poor efficiently and at scale.

But government, civil society organisations, social enterprises, and for-profit corporations all have a role to play. There is no one-size-fits-all model.

I've always recognised that donor funding wouldn't always be there for us. In order to provide long-term solutions at scale—to create significant change in a country like Bangladesh, or in any of the other 10 countries where we work—we have sought a degree of sustainability by developing our own sources of income. I believed we should try never to be too reliant on donors.

With microloans, for instance, we recover our costs through service fees charged to clients. We also run social enterprises that serve the poor while generating a surplus for BRAC, in sectors as varied as dairy, textile and seeds. This surplus is used to fund programs like education and health.

We even have a commercial bank, BRAC Bank, which operates bKash, a mobile money platform. By some measures, including the number of regular clients—about 25 million—bKash is now the largest mobile money platform in the world.

Yet it is important to stress that many of our most successful programs, including most of our operations outside Bangladesh, still rely on donor contributions. Our operations in

Bangladesh are close to 80 percent self-financed and, with support from our partners, I anticipate that this proportion will rise in the coming years.

JCN: With an organisation of over 118,000 employees being so impactful, do you think that BRAC has become a poster boy for management schools? Has the Harvard Business School included BRAC in its curriculum?

Sir Fazle: Harvard Business School has indeed prepared several case studies on BRAC which are included in its curriculum. In development circles, one of the things we are best known for is the "science of delivery"—the efficient



Sir Fazle Hasan Abed

delivery of services to people in need. This is something businesses can learn from as well.

I agree with Jim Kim, the World Bank president and a proponent of the science of delivery, who says it's no longer so much a question of what to deliver, but how to deliver it. Perfecting the science of delivery, even for very simple ideas such as the oral rehydration therapy mentioned earlier, can help us uproot even the most deeply entrenched poverty.

If BRAC is emblematic of anything, however, I would like to hope it is a concerted, long-term effort to transform the basic conditions of one's society.

Would you say that young citizens with a fresh diploma should join an organisation

such as BRAC or look for a job in the banking industry?

Sir Fazle: When young people approach me about starting a career in development, I often suggest they spend a couple of years working in the private sector first. When I worked at Shell Oil, I learned how to manage large operations efficiently, something I think served me well when I started BRAC.

That said, for those with a desire to serve others, especially people born with few advantages and opportunities, a career in this field is extremely satisfying. At BRAC, I have always tried to give people substantial responsibility coupled with an appropriate level of authority so they have the space to learn, develop and even make mistakes!

JCN: BRAC's assumption is that poverty is a system and its underlying causes are manifold and interlinked. Is BRAC a challenge to politicians, or to put it a little differently, do politicians see BRAC as representing some sort of a challenging or competing power to their public duties and power?

Sir Fazle: Certainly not, although perhaps we are a challenge to corrupt politicians. There are many functions, such as education and health care, which can and should be performed by a well-functioning State. As mentioned earlier, the Bangladeshi government has recently done a much better job of making sure that people from poorer areas and backgrounds have access to primary schools. In situations like this, BRAC has very willingly stepped back to let the government do its job.

Politicians tend to see BRAC as a resource, not as a competing power. We provide teacher training to improve state school systems, for example. Through BRAC University, we are educating a new generation of civil servants in Bangladesh. Our community health programs work alongside formal health systems, not in competition with them—linking the poor with government clinics, for example, or guiding a pregnant woman to a hospital when complications occur, so that she may have a safe birth surrounded by trained medical personnel. Wherever we work, we seek to help governments function better, not to replace the government.

JCN: Over the next five years, BRAC aims at creating a more inclusive society in Bangladesh, one where inequalities would not rise. Can anyone stop such a tide?

Sir Fazle: Having witnessed such change since Bangladesh's independence in 1971, I am an optimist. Life expectancy was just 47 years in 1971, due largely to the high rate of child mortality. About a quarter of children did not live to the age of 5. Now life expectancy exceeds 70, and the under-5 mortality rate is less than 40 per 1,000 per live births. Maternal mortality has decreased by 75 percent since 1980; infant mortality has more than halved since 1990. We have also brought down fertility rates from about seven children per woman to replacement level. It has been said that such rapid changes in public health have almost no historical precedent, save perhaps for Japan following the Meiji Restoration.

I believe these changes have taken place in large part because we have developed a more inclusive society—one in which women are empowered to make their own decisions, such as to educate their daughters, instead of being oppressed by patriarchal traditions. Although Bangladesh is still a very conservative society, we have not only met but exceeded gender parity in education, meaning there are now more girls in school than boys. This is a tremendous achievement.

Yes, there are forces that can stop the tide, including the instability of our institutions and threats to law and order. These are challenges faced the world over. We have faced them in the past and come through them, so I remain an optimist.

JCN: As regards its international expansion, where do you see BRAC's next battles?

Sir Fazle: We are developing a strategy to broaden our international outreach, particularly in Sub-Saharan Africa, where the basic conditions of many people's lives remain much the same as when we started in Bangladesh. I would like to see BRAC launch operations in several more countries there in the coming years.

Jean-Christophe Nothias is Editor-in-chief, NGO Advisor. The full interview can be viewed on ngoadvisor.com

PROJECT SYNDICATE

America's failures of representation and prospects for democracy



ROB JOHNSON

As the inauguration of US President-elect Donald Trump approaches, the best way to assess the incoming administration may be to focus on the ultimate factors that led to his victory.

Trump was not elected in a vacuum, and, as this agenda takes shape, we can start to gauge its impact on the political economy whence his candidacy emerged.

Trump won by challenging the credibility of both the political and academic establishments, relentlessly highlighting discrepancies between their depiction of the United States' political economy and the reality that many voters experienced. Like Bernie Sanders in the Democratic primary, he started drawing large crowds by breaking ranks with his party's mainstream. While Hillary Clinton and Republican rivals such as Jeb Bush and Marco Rubio tried to build coalitions based on cultural issues and partisan traditions, Trump and Sanders set their sights squarely on what mattered most to voters: a political economy in which elected officials strongly promoted a broad-based prosperity that included them.

How did the other candidates miss this central theme? My sense is that they didn't; rather, their efforts to attract a broad spectrum of voters were constrained by a system that

makes it extremely difficult to fund a credible political campaign without catering slavishly to the wealthiest sliver of American society. That system invited rebellion, and Trump and Sanders – by self-financing and grassroots fundraising, respectively – were ideally positioned to lead one.

The other candidates were also constrained by party orthodoxy, which has long kept Democrats and Republicans alike from willingly addressing the structural inequities in the American economy head-on. Doing so would require candour about such hard issues as technological disruption and globalisation. It would also require confronting the legacy of decades of lobbyist-written free-trade agreements, regulations, bailouts, and tax policies that have been funnelling economic gains up the income ladder, while imposing budget austerity in response to the needs of most Americans. The story Trump told of a "rigged" system resonated with voters more than anything they had heard from their political leaders in quite some time.

This points to a second, closely related misrepresentation: for many voters, the "expert" consensus about globalisation does not ring true. Economists, in particular, have touted free trade and global markets as an unalloyed good. With few exceptions, such as Harvard's Dani Rodrik and the Nobel laureate Michael Spence, none pointed out that many workers would be displaced and receive little or no compensation, and that rapid globalisation can thus stretch a

country's social fabric beyond its elastic limit. But any real expert on American political economy could see plain as day that the US would provide inadequate compensation to those disrupted by foreign competition.

Much of that disruption has come from America's free-trade relationship with China, a very large country which has a far lower per capita income. In fact, a recent paper by MIT's David Autor and others shows that the social distress caused by US-China trade has polarised American politics, and probably increased certain voting cohorts' support for "nativist politicians" such as Trump.

In his 1922 essay "The Dismal Science," H.L. Mencken suggested why economists would ignore the negative social effects that globalisation can have on an advanced economy such as the US. Such misrepresentations, Mencken argued, reinforce the power of those who already hold it. Wittingly or not, experts know that they can curry favour and stay out of trouble by either keeping silent or affirming the policies that make the powerful better off.

But, eventually, something has to give. As wealth becomes ever more concentrated, a body politic suffering from widespread economic insecurity will begin to search for scapegoats – and the experts and pundits themselves were an ideal target this time around.

This dual crisis of representation – political and intellectual – has become a toxic brew. Critiques of Trump's policies gain no purchase with his supporters, because they come from

experts who have lost their trust. This credibility deficit gives Trump latitude, but it also poses a challenge for him as he moves from campaigning to governing.

As president, Trump will need to devise remedies to the social, economic, and political problems that he has described. But to do that, he will have to work within the same "rigged" system that he ran against, and he will have to craft policies that are actually feasible and will have a positive effect on Americans' lives.

To be sure, the Republican-controlled Congress might work with Trump to implement a mini variant of Franklin D. Roosevelt's New Deal of the 1930s. But, without reform of the "rigged" system, it is likely that Trump's proposed fiscal expansion will again disproportionately benefit the wealthy, without "trickling down" to the rest of Americans. "Public-private partnerships" have been championed as a means to direct capital toward a national rebuilding effort; but such measures can be manipulated, and often lead to "heads, I win; tails, the taxpayer loses" outcomes of the type that have benefited Wall Street and Silicon Valley in recent years. Surely this is not what Trump supporters were attracted to when Trump declared he would "Make America Great Again."

Twenty-three Democratic US senators (plus two independents who caucus with the Democrats), and only eight Republican senators, are up for re-election in 2018. If the Republicans pass a Keynesian growth package in the next two years that tightens labour markets and raises wages, they could secure their grip on

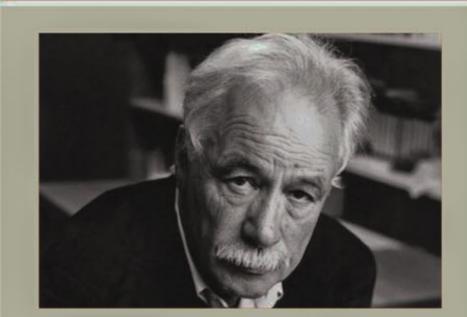
power for many years to come. This, in turn, would enable them to appoint new Supreme Court justices willing to ignore or undercut women's and workers' rights, environmental protection, and public education. Such an outcome, given Trump's campaign rhetoric, would be farcical, if it were not so tragic.

Trump, a child of inherited wealth, now has a chance to define his place in history. Let us hope that he can rise to the challenge, imagine his role as one of repairing the flaws of American democracy, and not settle for presiding over a set of "deals" with, and for, the powerful. An America that broadens economic prosperity and makes its political system more democratic will require reforms that reduce the power of money and increase responsiveness to citizens.

Anything less would constitute a failure by Trump to honour those who brought him to power. A failure to live up to America's founding principles has long created a tension that provides impetus for the country's political, economic, and social progress. If Trump refutes those principles – and if, in the despondency that follows, invoking them comes to be seen as a sentimental, romantic act – the price of the failures of representation that led to his election will be high indeed.

The writer is President of the Institute for New Economic Thinking and a senior fellow and Director of the Global Finance Project for the Franklin and Eleanor Roosevelt Institute. Copyright: Project Syndicate, 2016. www.project-syndicate.org (Exclusive to The Daily Star)

QUOTABLE Quote



W.G. Sebald

German writer and academic

We learn from history as much as a rabbit learns from an experiment that's performed upon it.

CROSSWORD BY THOMAS JOSEPH

- ACROSS
- 1 Play group
 - 5 Arm, e.g.
 - 9 Math comparison
 - 10 Scents
 - 12 Left on a liner
 - 13 Deck of fortunes
 - 14 Agree
 - 16 Get on
 - 17 Catchall abbr.
 - 18 Returns to the Enterprise
 - 20 Vacillate
 - 22 Calls on
 - 23 Sphinx setting
 - 25 Checkout act.
 - 28 Cafe patrons
 - 32 Detente predecessor
 - 34 Cal's cry
 - 35 Band blaster
 - 36 Laundry chore
 - 38 Occupy the throne
 - 40 "Francis" star
 - 41 Penalised
 - 42 Foils' kin
 - 43 Brooklyn team
 - 44 River stoppers
- DOWN
- 1 "In Cold Blood" author
 - 2 Without delay
 - 3 Letter start
 - 4 Pledge drive reward
 - 5 Led Zeppelin's "Whole – Love"
 - 6 Writer Tarbell
 - 7 Swamp
 - 8 Irish accent
 - 9 Track doings
 - 11 Flight makeup
 - 15 Annual celebration
 - 19 Pound hound
 - 21 Dispatch
 - 24 Out, in a way
 - 25 Neck wrap
 - 26 Response to a knock
 - 27 Like some skiing
 - 29 "8 Mile" rapper
 - 30 Mountain chains
 - 31 Wise ones
 - 33 Breezes
 - 37 Wine valley
 - 39 Acquire

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YESTERDAY'S ANSWER

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BEETLE BAILEY by Mort Walker



BABY BLUES by Kirkman & Scott

