

# Can Bangladesh continue to grow without 'good governance'?



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If we look at the growth pattern of Bangladesh from 1990, we discover two specific characteristics: first, the growth rate has been on the rise, and second, it is less volatile compared to those of many other countries (for example, India, Vietnam, Cambodia, China, Malaysia, Thailand and Ghana) which are known as 'high growth performing countries'. Bangladesh's growth experience has often been termed as the 'Bangladesh paradox' given that the country has been able to perform well despite 'weak governance'. Now, the big question is: can Bangladesh continue to grow without 'good governance'? If we look over the last three decades, obviously, Bangladesh had been growing without the so-called 'good governance'. Then what does this 'good governance' mean?

Four contemporary analytical approaches can be linked to the discussion on 'good governance'. The new institutional economics (contemporary lead presenters are Daron Acemoglu and James Robinson), representing a variant of the neo-liberal orthodoxy, argue for specific and well-defined rules and property right systems ('good governance') for economic growth. There are three alternative approaches to this new institutional economics. The approach by Douglass North, Joseph Wallis and Barry Weingast argues for

'limited access order' in a large number of developing countries in contrast to 'open access order' in advanced economies. In 'limited access orders', political elites divide up control of the economy, each getting some share of the rents; and since outbreaks of 'violence' (conflicts among the elites) reduce the rents, the elite groups have incentives to reduce conflicts among them. The approach by Mushtaq Khan stresses on 'political settlement', which highlights on the relative holding of the power of different groups and organisations contesting the distribution of resources, and a 'political settlement' emerges when the distribution of benefits supported by its institutions is consistent with the distribution of power in society. Mushtaq Khan also emphasises on 'growth-enhancing governance' (un-orthodox institutional arrangements) in contrast to 'market-enhancing governance' (orthodox institutional arrangements, as signified by new institutional economics). Finally, the approach by Lant Pritchett, Kunal Sen, and Eric Werker emphasises on 'deals space', 'rents space' and 'political settlements' for growth acceleration and growth maintenance in developing countries. The rents space is characterised by private sector firms who can be rentiers (securing rent from the export of natural resources), powerbrokers (securing rent from the regulated domestic market), magicians (firms participate in competitive export markets), and workhorses (firms participate in unregulated domestic markets). Deals, in contrast to rules, among the

political and economic elites, can be open (access is open to all) or closed (access is restricted); and also they can be ordered (deals are respected) or disordered (deals are not respected). The countries are likely to exhibit high growth when deals are open and ordered.

Can we explain the growth experience of Bangladesh through these four approaches? The approach by new institutional economics cannot explain the growth of Bangladesh since the country never had the so-called 'good governance' but the economy continued to grow. Furthermore, all these approaches have three major problems. First, approaches of 'limited access order' and 'political settlement' emphasise more on the 'elite agreement' at the macro level, thus ignore the perspectives at the sectoral level. However, the 'deals-rent space' approach has a better holding on the sectoral level analysis. Second, all these approaches emphasise on the process of 'elite agreement' rather than on the outcome, which does not convincingly show how such processes affects economic growth. Third and most importantly, all these approaches emphasise on 'elite agreement' and overlook the critical nexus between elites and non-elites within society. Only in 'limited access order' approach, such nexus is shown through the 'power of violence' of non-elites.

Empirical research suggests that there are four major drivers of growth in Bangladesh: exports of readymade garments (RMG), remittances, growth in agriculture, and

microfinance. Now, it is clear that we cannot explain these growth drivers of Bangladesh with the usual definition of governance or politics by the aforementioned four approaches.

From a political economy perspective, in my view, there must be some substances by which these growth drivers are fuelled; and I want to name these substances as 'political capital'. The usual meaning of 'political capital' is a feeling of trust that politicians build among the common people through which they exert their influence in society. But, in my opinion, 'political capital' is an outcome of agreements among the political elites and support from the non-elites on such agreements over certain growth drivers in the economy. In order to source such support, elites ensure some critical benefits for non-elites. Over the last three decades, Bangladesh has been able to generate crucial stock and flow of 'political capital' in favour of the aforementioned growth drivers. Bangladesh is not rich in natural resources, which did not help to generate substantial rents for the political elites. Elites, thus, found the RMG sector as a source of generation of rents, and they were able to draw support from the non-elite through the creation of large-scale employment opportunities in the RMG sector. In the case of remittances, international migration of a large number of people helped alleviation of poverty, and thus gathered support from the non-elites. For the agricultural sector, this 'political capital' is generated from the experience of the 1974

famine, as the political elites realised that a country like Bangladesh cannot afford anything like this in future. Therefore, subsequent governments focused on the development of the agricultural sector to ensure food security. Finally, as microfinance, another example of elite and non-elite nexus, played important roles in generating growth and alleviating poverty in Bangladesh, there had been a construction of significant stock of 'political capital' around microfinance over the last three decades.

Therefore, Bangladesh can continue to grow until the 'political capital' provides returns over the existing drivers of growth. Given the fact that there are growing challenges for these existing drivers, political elites in Bangladesh also need to find new drivers for growth acceleration. There are two new prospective drivers, for which critical 'political capital' is yet to be formed. The first one relates to the comprehensive economic and trade integration with neighbouring countries, and the second one is government's initiative of setting up 100 special economic zones (SEZs) by 2030 for rapid industrialisation of the country through large-scale domestic and foreign investments. It is high time that political elites in Bangladesh come out from their comfort zone of old drivers towards the journey of building 'political capital' for new drivers.

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On June 12, Bangladesh, along with other countries, observed World Day Against Child Labour, with elaborate programmes. There were press notes, messages, seminars, roundtable discussions, talk shows, texts and posters distributed around the country.

Heartbreaking stories of young child workers made us emotional for a day. Some key people even flew to Geneva to inform the world of our progress and also to mobilise the international community in our favour. Everything was done for the good cause - elimination of child labour from our country. While we were busy speaking about their lives and sufferings, ironically, their small hands continued to work to serve our needs.

This year's theme was "In conflicts and disasters, protect children from child labour", a timely call indeed when the year began with devastating floods and cyclones, inundating the farmlands of our country. Around the world, 1.5 billion people are affected by conflicts, violence and fragility; of them 200 million fall victim to annual disasters; one-third of these people are children and of them, about 168 million are engaged in child labour.

Children victims are at the frontlines of any natural or manmade disaster. At a Bangladesh Bureau of Statistics programme that unveiled a report titled "Bangladesh Disaster-related Statistic 2015: Climate Change and Natural Disaster Perspectives", under the Impact of Climate Change on Human Life (ICCHL) Programme, held on June 26, 2016, after effects of natural disasters were revealed. The report showed that damaged schools, communications failure, reduced household income, and sickness had a toll on the lives of children and their education. The Centre for Environment and Geographic Information further stated that 0.1 million people become homeless every year in the country due to river erosion alone. Natural disasters affect the poorer classes most for predictable reasons, and children, as part of the family, suffer most.

During the recent flood in Sunamganj and in haor areas, we learnt that there was no



PHOTO: REUTERS

## TRADING WITH TINY HANDS Do we really care?

advance preparation or warning system to deal with the upcoming challenges. In fact, when you think of it, except for cyclones, no effective systematic approach has actually been developed yet in Bangladesh to manage other natural disasters. In Bangladesh, river erosion, flood and cyclones are among the prime reasons that force children to leave their homes in the village to go to the cities in search of work. A BBS report says that every day, 959 people, including children, migrate to Dhaka city in search for a livelihood due to natural disasters and effects of climate change.

There is, however, not much data on the number of children affected by the flood of this year or other years, and there's little, if any, information on the number of children who lose their homes during such disasters, and are forced to separate from their families when they leave their schools to migrate to cities to join the workforce. We can, however, assume that the number will be significant. Do we know that one in every 16 children nationally and one in five children in some upazilas have joined the workforce (Ending Child Labour in

Bangladesh, published jointly by UNICEF, BBS, BIDS, 2015); of the 12 lakh children, 80,000 are employed in hazardous conditions. More alarmingly, about 4 lakh kids are employed with no pay while 85 percent of these kids are doing the job of adults only to earn a few hundred bucks; the maximum a child worker is paid comes down to Tk. 5,500 (Prothom Alo, January 30, 2016).

In addition to natural disasters, children are separated from their families and join the workforce due to family crisis and conflicts, death or abandonment of their father, their parents' divorce. In the absence of family care, they are forced to fend for themselves. During such crucial times, some 'middlemen' take advantage of the situation, taking charge of the vulnerable child to enrol them in work that can be hazardous and even life-threatening.

Child labour is nurtured in our society, despite the initiatives of the state, non-government organisations and rights organisations. It is far easier to exploit children, and most importantly, their labour is cheap! The government lists 38 kinds of

hazardous labour for children, but it is yet to consider domestic work as hazardous labour, despite the fact that many employers harass and abuse their child employees with impunity. Of course, there is a vague notion that we help these poor children and their families "survive" by offering them food and shelter. But we do not tell the real story, and how we exploit them for our comfort. The projects undertaken to protect these children are mostly superficial and temporary. Moreover, what happens when the projects end?

Still, some progress has been made. We have a national policy, laws and a plan of action, along with the international protocols that we have ratified, to deal with the issue of child labour. Our Labour Law dictates that no child under the age of 14 can be employed, but it has also kept the provision of 'light work' for children who are 12 and above! However, the Ministry of Labour and Employment has made extensive plans, created the National Child Labour Welfare Council, and an inspection department. The district inspectors are trained and placed in cities around the country. Last year, during observance of the World Day

Against Child Labour, the honourable State Minister for Ministry of Labour and Employment declared that by 2021, the country will achieve the target of SDG 8.7, which requires to "take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour; and by 2025 end child labour in all its forms."

The roadmap of the government should consider a total mapping of the current situation, to assess and to avoid overlapping. Moreover, under any circumstance, the state should prioritise the idea of 'school first'. Skill development programmes for dropouts and those already in the workforce should also be considered. Social protection measures to cover cost of living and education of the children of the vulnerable families could prevent kids from joining the workforce. City corporations and pourashavas should also be linked to the implementation of the Labour Act, as child labour is largely concentrated in these areas, which also cover 34.28 percent of the total population (UN World Urbanization Prospects, 2015). In this regard, inclusion of a strict clause in the Municipal Acts is necessary to refrain city-dwellers from engaging children in child labour. Moreover, the monitoring process of the Ministry of Labour and Employment need to be far more rigorous, and that can be done through ensuring the active role of the government and other state actors. Finally, raising public awareness is a must, as is the wide dissemination of the hotline number 109 that directs to the National Helpline Centre for Violence Against Women and Children.

An annual report on 'Child Labour and the Progress We Made' could also benefit us, especially in achieving SDG 8.7, and also to report back to the UNCRC on Clauses 74 and 75 before March 2021.

In order to respond to the calls of the World Day Against Child labour 2017, we need to return to legal documents like the Disaster Management Act 2012, Standing Orders on Disaster (SOD) 2010, the National Plan for Disaster Management, National Strategy on the Management of Disaster and Climate Induced Internal Displacement, etc to find the ways and means to protect children from the aftermaths of disasters. Through concerted efforts, we can free ourselves from the curse of child labour.

The writer is a development worker.

### A WORD A DAY

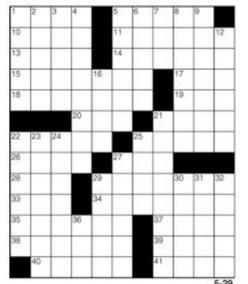


**SKULDUGGERY**  
noun

Underhanded or unscrupulous behavior; trickery.

### CROSSWORD BY THOMAS JOSEPH

- ACROSS**
- 1 Fraudulent operation
  - 5 Targets for bulls
  - 10 Canary's home
  - 11 Pedro's pals
  - 13 First father
  - 14 Snarl
  - 15 Homework papers
  - 17 Long, long time
  - 18 Sound systems
  - 19 Slight, in slang
  - 20 Wall climber
  - 21 Fragrant flower
  - 22 D'Artagnan's creator
  - 25 Some change
  - 26 Milky stone
  - 27 Atlantic fish
- DOWN**
- 28 Like some verbs: Abbr.
  - 29 "Walden" writer
  - 33 Yule drink
  - 34 Sharp comebacks
  - 35 Hockey's Howe
  - 37 Wild party
  - 38 Purloins
  - 39 "Got it"
  - 40 Fashion
  - 41 At hand
  - 1 Surgery reminders
  - 2 West point student
  - 3 Clearly stunned
  - 4 Honorary monument
  - 5 Stuffed mouse, for
  - 6 Stockpile
  - 7 Sewing aid
  - 8 Incited
  - 9 Recital star
  - 12 Detects
  - 16 Guns, as a motor
  - 21 Sign of spring
  - 22 Events
  - 23 Displaces
  - 24 Ann- -- of "Bye Bye Birdie"
  - 25 Old codger
  - 27 Fondue stuff
  - 29 Warble
  - 30 Make blank
  - 31 Puzzled
  - 32 Theater worker
  - 36 Week part



### YESTERDAY'S ANSWER

C R A T E R   D O E S  
R A C I L Y   A C R E  
E D I B L E   M A R E  
A I D E S   S O N A R  
M O S T   D O N A T E  
A H A B   D U D  
F I N A L E X A M  
F O R S E R F  
E R E C T S   A P E S  
D E L A Y   S C A L E  
O M A N   M O T I V E  
R E N D   I R O N E D  
A N D Y   S T R E S S

### BEETLE BAILEY BY MORT WALKER



### BABY BLUES BY KIRKMAN & SCOTT

