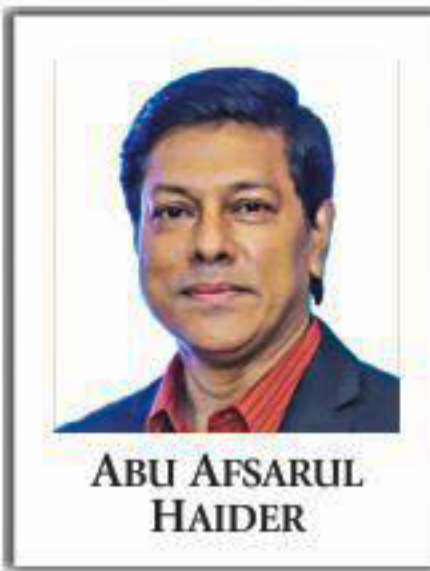


'Demographic dividend' could turn into a 'demographic disaster'



ABU AFSARUL HAIDER

BANGLADESH has a fairly young population with 34 percent aged 15 and younger and just five percent aged 65 and older. At present, more than 65 percent of our population is of working age, between 15 and 64.

When there is such a large percentage of young people in any nation, they are expected to contribute to the country's economy. This opportunity is known as the "demographic dividend" which refers to "the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population is larger than the non-working-age share of the population," as defined by the United Nations Population Fund.

But reaping the benefits of a demographic dividend is not guaranteed or automatic. It all depends on how much a country invests in key areas like education, health and nutrition, infrastructure, good governance, etc., and whether or not there is an environment suitable for young people so that they are able to contribute to the country's socio-economic growth.

According to analysts, currently Bangladesh is passing through the phase of demographic dividend that emerged in 2007. At present, we are at the midway point of the dividend period. So a good question to ask is, how has this demographic dividend transformed Bangladesh today and how will it transform Bangladesh tomorrow?

Today, Bangladesh is considered one of the fastest growing economies in the world. For the last decade and a half, the country has averaged above six percent annual GDP growth and in the last fiscal year 2017-18, the country recorded the highest ever growth at 7.86 percent. Our per-capita income is USD 1,751 which was only USD 405 in the year

2000. We have also made spectacular progress in different socio-economic sectors, particularly relating to reducing extreme poverty and hunger, promoting gender equality and empowering women, ensuring universal primary education and reducing child mortality. Life expectancy went up to 72 years in 2017 from 65.32 years in 2000.

While we have a long list of achievements to our credit, we have failed on many fronts. We still remain one of the poorest, overpopulated and inefficiently governed countries in the world. The country is still struggling with a huge pool of low-skilled workforce; about 86 percent of the total employed population aged 15 and above are in the informal sector, which is insecure, poorly paid and has no social security, which means that they cannot contribute much to economic development. Almost one in four Bangladeshis (24.3 percent of the population) lives in poverty, 12.9 percent of the population live in extreme poverty, 15.2 percent of the country's population suffer

from undernourishment, while 36.1 percent of children under the age of five face growth development issues.

Also, our education system is not yet pro-poor and the curriculum does not serve the goals of human development and poverty eradication. According to a World Bank report, Bangladesh's workforce of 87 million is largely undereducated (only four percent of workers have higher than secondary education), and the overall quality of the country's human capital is low. An internal report of the Directorate of Primary Education (DPE) of 2015 states that around 70 percent of children are unable to read or write properly, or perform basic mathematical calculations even after five years at primary school and most of those who graduate from primary schools do not acquire the nationally defined basic competence. While the enrolment rate is appreciably high at primary level, a large proportion of them don't make it to secondary schools (11-15 years). The government's own statistics from the

Bangladesh Bureau of Educational Information and Statistics (BANBEIS) show that in 2015, the national dropout rate at the secondary level was 40.29 percent, out of which 45.92 percent were girls and 33.72 percent were boys. And currently, there are about four million children in the age group of 6-10 who are out of school in Bangladesh.

The economic growth that our leaders often boast about has actually bypassed the major portion of the population while higher-income groups have been the main beneficiaries. A report titled "Household Income and Expenditure Survey (HIES) 2016," published by the Bangladesh Bureau of Statistics (BBS), shows that the rich-poor gap in terms of wealth accumulation has been widening in the country. The poorest five percent had 0.78 percent of the national income in their possession back in 2010, and now their share is only 0.23 percent. By contrast, the richest five percent, who had 24.61 percent of the national income in 2010, now have a higher share—27.89 percent to be precise. In other words, the bottom five percent's share of national income has decreased, whereas the richest five percent's has increased.

Moreover, the economic growth has also failed to create enough jobs for the millions of young Bangladeshis joining the workforce every year. Different studies show that between 2013 and 2017, while the average annual GDP growth was 6.6 percent, the average annual growth of jobs was only 0.9 percent. The employment share of the manufacturing sector actually declined from 16.4 percent to 14.4 percent. This is in addition to a decline in manufacturing jobs of 0.77 million and female employment of 0.92 million (Bangladesh Labour Force Survey cited by SANEM, 2018). The slow growth in job creation is also reflected in the declining employment elasticity over the last decade. The overall employment elasticity with respect to GDP growth declined from 0.54 during 1995-2000 to 0.25 in 2010-2018. What is worrying is that the share of the youth

population not in education, economic activities and training (NEET) increased from 25.4 percent in 2013 to 29.8 percent in 2016-17—more than one-fourth of all young people are not participating in any form of economic or educational activities.

Our policymakers need to realise that for a country where 24.3 percent of the population live below the national poverty line, no matter what the GDP growth rate or per-capita income is, rising income inequality and millions of young people unemployed or underemployed point to a ticking time bomb. Moreover, our population will reach 223.5 million by 2041 and 230-240 million by 2050. As mentioned earlier, this demographic dividend is not guaranteed or automatic—dividend comes of use when jobs are created, and when young people join the workforce. Therefore, if we want to reap the full benefits of the demographic dividend, we need to act fast because demographic dividend is a one-time short-lived phenomenon that usually continues for 30 to 35 years, and by 2045 to 2060, this window of opportunity to accelerate economic growth will start to disappear.

So before time runs out, we must act to prepare our young people for the future world of work. Since most new jobs that will be created in the future will be highly skilled, we need to revamp our weak education system to make it more suitable to the changing times. Alongside that, we must invest much more in education, health and nutrition, infrastructure, and adopt an expansionary economic policy and create a favourable environment for local and foreign investment, so that we can increase production, productivity and consequent employment opportunities for the future workforce. If we succeed, we will ensure the prosperity of our people. And if we fail, our "demographic dividend" can turn into a "demographic disaster."

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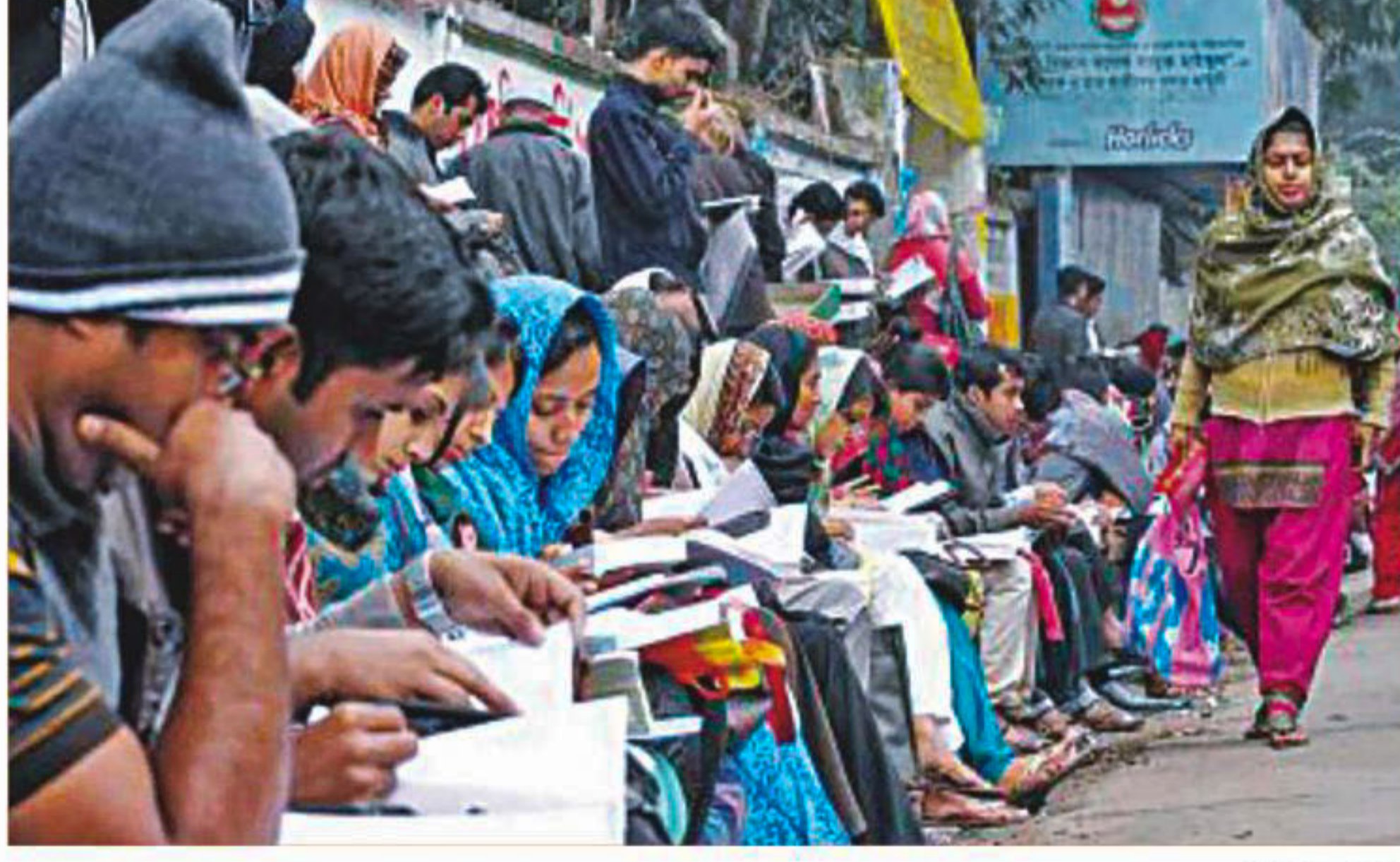


PHOTO: STAR

On Democratic Socialism

MIRZA HASSAN

"AFTER the collapse of the Soviet Union in 1991, the 20th century's ideological contest seemed over. Capitalism had won and socialism became a byword for economic failure and political oppression. Today, 30 years on, socialism is back in fashion" observed *The Economist* in a recent issue. It appealed to its readers: "Liberals should oppose it". Donald Trump, President of one of the most "anti-socialist" country in the world, warned his citizens (in his 2019 State of the Union address) about "new calls to adopt socialism in our country." "Tonight," he further added, "we renew our resolve that America will never be a socialist country." Such vanguards of the bourgeois interests, it seems, have become unsettled to the core with the radicalisation of politics in the developed capitalist world. Like the mythical bird phoenix, the "shocking" revival of socialist ideology and politics has spawned plethora of scholarly as well as popular writings on the possible political (liberal democratic or beyond?) and economic (what kind of ownership?) forms that socialism might or should assume in the 21st century. Sadly, such intellectual interventions and debates can hardly be observed in Bangladesh. So when I saw the recently published Bangla book entitled "Amar Shomajtantra" or My Socialism (Prothoma, 2019), written by an eminent development economist Azizur Rahman Khan, I was simultaneously intrigued and delighted.

Although the length of the book is quite short it still contains dense analysis of complex issues such as Marx's theories of economics and socialism, nature of actually existing socialism (that existed in former Soviet Union, China, Eastern Europe), the fall of this variant of socialism, the crisis of contemporary advanced capitalism, and a final chapter on the author's vision and outline of democratic

socialism in developing countries. Given the space constraint, my discussion of the book will concentrate on this last chapter, which I believe lies at the heart of author's intellectual project.

The author's "Amar Shomajtantra" is a vision that ensures equality, inclusive growth and liberal pluralist democracy. Concrete features of his socialism are borrowed from the models of prevailing Scandinavian social democracies (Norway and Sweden particularly) and East Asian fast-growing economies (minus authoritarianism).

From social democracies the author borrowed the following: Regulation of the economy/capitalist firms, social contract between trade unions and firms/industries—resulting in socially regulated market as opposed to whole-scale nationalisation, redistribution of wealth/income, and hybrid ownership (private, social, and state). From the East Asian developmental capitalist model he adopted the following: Strategy of quick growth and labour intensive employment strategy at the same time limiting inequality. His socialist vision finally includes a robust and universal social protection policy much more than what is currently being practiced in the developing countries.

Now the problem is that what the author is calling socialism is indistinguishable from social democracy. The latter, as I understand, is a reformist project that prioritises income redistribution and regulation of the economy and establishes robust forms of welfare state all of which create the conditions for *egalitarian and democratic capitalism*.

What is then democratic socialism beyond social democracy? To me, the defining economic characteristic of socialism is that it eventually *abolishes the practice of selling labour as a commodity or at least marginalized such practice in the interim period*. In this sense

actually existing social democracies (like Norway—the preferred model of the author) are hardly socialists. For instance, in Norway, the state-owned enterprises employ about 280,000 workers, which is only 10 percent of the total employed workforce. In general, the public sector in Norway employs about 30 percent of the labour force. Can we call a country socialist (or approaching towards socialism) where vast majority of the total employed labour force is forced to sell its labour power to the capitalist? In a discussion event on the book the author observed that existing social democracies will eventually move towards socialism. Norway's (which is the most advanced and robust form of social democracy) reality hardly indicates that.

Democratic socialism, in contrast, involves: social ownership over the *vast majority* of the economic assets of society, the *eradication or near eradication* of the economic process whereby workers are compelled to work for private capitalists owning those assets, and, more importantly, establishment of decentralised democratic institutions within and beyond the state—in *workplaces and communities*.

For me, democratic socialism would mean a socio-economic system where the means of production are socially owned (instead of state owned) and economic activity is controlled through the exercise of *social power*, (not *economic power*—of capitalist in capitalism or *state power*—of party leaders and bureaucrat as seen in the former and current actually existing socialist countries) in a decentralised democratic manner. The *Soviets* that were formed after the Russian revolution (before they were co-opted/controlled by the party/bureaucratic elites) are institutional manifestation of social power.

The author has emphasised continuation of market discipline/rule (*bajarer shashon*) in the socialist system. I agree with him. But

according to him this market disciplining process will be governed by the state (*Rashiro kotrik niyonitro*). At the same time, he pointed out that such governing of the market process would be constrained by constitutional and legal measures with transparent criteria so that state actors cannot abuse it. That is state being constrained by a liberal pluralist constitutional democracy. The need for some social power (in my sense) subordinating the state power itself does not arise in his model.

Democratic socialism, for sure, is based on the principle of rule by the people but this does not only mean, rule by aggregation of preferences of the separate individuals/citizens acting in an isolated manner i.e., secret ballots in election. Rather, it means rule by the people *collectively organised into associations* (parties, communities, unions, workers councils, deliberative forums etc.—that is *associational democracy*). This is exactly the rule through the exercise of social power as discussed above. Periodic national election is not excluded in my concept of socialism. Democratic form in socialism, therefore, would be hybrid in nature and associational democracy will get priority over periodic national elections. Socialism thereby leads to *deepening of democracy*.

The concept of economic activity being controlled through the exercise of social power also implies *economic democratisation*—a core idea of Marx, which lies at the heart of 21st century conceptualisation of democratic socialism. In this sense socialism can be defined as *perverse economic democracy*. I am not sure the author's conceptualisation of socialism includes that in any substantive sense.

Note that I am using the word social power. In this sense Socialism is not only limited to the process of building democratic egalitarian organisation in the economic domain only but in the *society* as well. Therefore, democratic socialism needs to be analysed and understood

not only in the economic sphere but should also incorporate *social and political meta parameters* operating in the larger civil society. The book puts much less emphasis in these two parameters.

More critically, democracy, in socialism, plays a crucial role by connecting social power and state power (whereby state power should be fully subordinated and accountable to decentralised social power). Democracy is thus *endogenous* to the concept of socialism. In contrast, the author's notion of liberal democracy tends to remain somewhat *exogenous* to his idea of socialism.

The author argued at the outset that his outline of the socialist alternative is based on *Proyoggyotta* (feasibility, implementable) but the book focuses mainly on the economic feasibility of socialism. I believe the book could have made greater contribution if the author had touched upon the issue of political feasibility of implementing socialist projects in the developing world within a liberal democratic multi-party framework. In this regard he rather made an anodyne comment which is not very helpful: incentive and agency of socialist transformation will emerge "due to historical convergence of people's justified anger and leader's stable/calm farsightedness." I could retrieve only one remark by the author which is somewhat associated with political realism of building socialism within a democratic framework: "Perhaps we could think of dual allegiance to both revolution and democracy; even if revolutionary changes can however be made by some tactics but to garner comprehensive and permanent people's support for these, we will need to limit, to a certain extent, the aims of such changes. This will be good for both revolution and democracy." The book, unfortunately, does not further elaborate on this idea.

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QUOTABLE Quote

GEORGE WASHINGTON
(February 22, 1732 – December 14, 1799)

FOUNDING FATHER AND FIRST PRESIDENT OF THE UNITED STATES

Government is not reason, it is not eloquent, it is force. Like fire, it is a dangerous servant and a fearful master.

CROSSWORD BY THOMAS JOSEPH

ACROSS

1 Church doctrine	inconspicuously	8 Deeds
6 Walrus's cousin	35 Slump	9 Salad start
10 Basketball's	36 Squid's squirt	12 List of players
Shaquille	37 First numero	17 Sewing aid
11 Peptic problem	38 Online messages	20 Japanese dog
13 Daughter of	40 Singer Ronstadt	21 On the way out
George W. Bush	42 Evil spirit	24 Swore
14 "Likewise"	43 Spanish hero	25 Anonymous
15 Owned by us	44 Bears' lairs	26 Reason for overtime
16 Relaxing place	45 Dilapidated	27 Irritates
18 "- a Small World"	DOWN	29 Fish feature
19 Being frank	1 Martial-arts	31 Pottery ovens
22 Formerly	schools	32 Pound part
24 Interrupt	2 Outdo	33 Opened, as a fastener
27 Stair part	3 Literary category	34 Yes-man
28 Fathom or furlong	4 Fellow	39 Charged bit
29 Team supporter	5 Sitka native	41—de-France
30 Exiting	6 African nation	
	7 Yale student	

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THE GOLF SHOP STAFF HAS A GIFT FOR YOU

WOW! A BAG OF BALLS!

BABY BLUES by Kirkman & Scott

I WANT ALL OF YOU TO KNOW THAT YOU CAN ASK ME ANYTHING THIS IS A SAFE ZONE.

WHO WANTS TO TALK ABOUT FEELINGS?

THE TEAM MOM USUALLY JUST GIVES OUT SNACKS.

WANDA'S TAKING IT TO A NEW LEVEL.

YESTERDAY'S ANSWER

C	O	L	D	M	O	P	E			
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