

TRIBUTE TO SIR FAZLE HASAN ABED

No person or issue is ever too small

SAMIRA KHAN

SIR Fazle Hasan Abed once said to me, "small is beautiful." He was a systems thinker before that term had even entered our consciousness. Yet, what had set him apart was in designing holistic solutions. He understood that one principle, one choice, one life, could tip an entire system. To achieve that depth of beneficiary knowledge, he expanded Brac into a multitude of areas of Bangladesh, making it one of the most, if not the most, influential NGO network—this was over 15 years ago.

And he always focused on empowering the individual, empowering the poor or women to have self-sustaining systems that would enhance their economic and overall well-being. In his pursuit of high empathy, with his gentle spirit, he was the architect of a colossal example of a powerful national social sector empowerment system.

We often credit the west with advanced non-profit systems. Yet when the west was thinking social services, Sir Fazle was already thinking of empowerment engines, with a focus on the individual and all the supports he/she may need to succeed. It was always about building individual and

community capacity. I landed in Bangladesh in early 2006, seeking to speak to as many acid violence survivors as possible, as a Fulbright Scholar focused on gender and narratives. I began at the Dhaka-based local rehabilitation NGO, however, I soon discovered that it is Brac's network that is to credit for these women even being detected and coming forth to seek help. Brac's widespread presence in every community was a communication line and learning machine with a heart.

It was only due to the trust that Brac was able to build among individuals and communities that these women came forth and were able to get help in Dhaka—only extreme trust could break the barriers of shame and potential retribution.

At the centre of the scale was the underpinnings of frugal innovation. All it took was a small concrete home-like building, a few beds, a clean bathroom and a small kitchen to produce some of the most committed and passionate social workers and professionals, as well as the most delicious Bangladeshi food that left one licking their fingers. It wasn't like a corporate outpost. I remember it was like going to visit one's South Asian family in the village. There was so much love and so many



Brac founder Sir Fazle Hasan Abed talking to some of the NGO's beneficiary farmers during a field visit.

PHOTO: BRAC

stories to be told. Sir Fazle blended intimacy, customisation and efficiency.

Today, as I work at Salesforce, it is clear to me that technology has a significant and instrumental role in accelerating the transfer of knowledge, including our ability to understand some of the most vulnerable populations in hard-to-reach places

and during crises. And what amazes me is that Sir Fazle was able to mobilise people and achieve scale without the benefit of such widespread technology.

I think about how beautiful it would be to have but a small chat with Sir Fazle over coffee, to discuss how this technology can be combined with his vision and insight on creating one of

the most amazing human networks. As we think about large social sector problems, as we think about the Sustainable Development Goals (SDGs), we often ask how can we touch more lives? Funders post questions about scalability. However, I would like to take this moment to remind us that there is something also to be said about nuance, depth, and innovation in which the possibility to scale is not necessarily imminently evident. Sir Fazle cared about each life and one can touch one life in a very big way through targeted intervention.

So, it is not always about scaling the solution to a specific problem. It is often about truly finding what works in a unique situation and scaling the means to share that and to learn from it and identify others who need help. No person or issue is ever too small.

Sir Fazle created the type of nimble social good system that was constantly in touch with different communities and populations, that was constantly listening, and most of all, that bonded the fabric of different parts of Bangladeshi society, weaving a cultural web of good.

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PROJECT SYNDICATE

The Other Side of Growth

Reviewing 2019 and the coming economic slowdown

ABHIJIT BANERJEE and ESTHER DUFOLO

ONE of the most worrying news stories of 2019 did not receive the coverage one might expect from media outlets in the United States or Europe. But the economic slowdown in China, and the potentially steep deceleration in growth in India, will most likely receive considerably more attention in 2020.

The International Monetary Fund, the Asian Development Bank, and the OECD have downgraded their growth estimates for India in 2019-20 to around 6 percent, which would be the lowest since the beginning of the decade. Others claim that even this is optimistic and project much more dire narratives. For example, Arvind Subramanian, until recently the Indian government's chief economic adviser, has argued, based on triangulating evidence on various economic indicators, that growth may sink as low as 3.5 percent.

In China, GDP growth has slowed from 14.2 percent in 2007 to 6.6 percent in 2018. The IMF projects that it might fall to 5.5 percent by 2024. Rapid growth there and in India have lifted millions out of poverty, and the slowdown is likely to impede progress on improving the lives of the poor.

What should China and India do? Or, rather, what should they not do? When we were writing our book "Good Economics for Hard Times" in 2018, before the bad news about India started coming out, we were already concerned about a potential downturn there (the slowdown in China was already known). Anticipating the fall in growth, we warned that "India should fear complacency."

The point we were making is simple: in countries that start from a situation in which resources are being used badly, as in China under communism or India did in its days of extreme dirigisme, the first benefits of reform may come from moving resources to their best uses. In the case of Indian manufacturing firms, for example, there was a sharp acceleration in technological upgrading at the plant level and some reallocation toward the best firms within each industry after

2002. This appears to be unrelated to any changes in economic policy, and has been described as "India's mysterious manufacturing miracle."

But it was no miracle, just a modest improvement from a rather dismal starting point. One can imagine various reasons why it happened. Perhaps it resulted from a generational shift, as control passed from parents to children, often educated abroad, more ambitious, and savvy about technology and world markets. Or maybe the accumulation of modest profits eventually made it possible to pay for the shift to bigger and better



PHOTO: AFP

The economic slowdown in China, and the potentially steep deceleration in growth in India, will most likely receive considerably more attention in 2020.

plants. Or maybe both causes—and others—played a role.

More generally, perhaps the reason why some countries, like China, can grow so fast for so long is that they start with a lot of poorly used talent and resources that can be harnessed to more valuable activities. But as the economy sheds its worst plants and firms and solves its most dire misallocation issues, the space for further improvement naturally shrinks. Growth in India, like that in China, had to slow. And there is no guarantee that it will slow only when India has reached the same level of per capita income as China. India may be caught

in the same "middle-income trap" that ensnared Malaysia, Thailand, Egypt, Mexico, and Peru.

The trouble is that countries find it hard to kick the growth habit. There is a risk that policymakers will flail wildly in their quest to make growth come back. The recent history of Japan should serve as a useful warning.

If Japan's economy had maintained the growth rate that it recorded over the decade 1963-73, it would have overtaken the US in terms of GDP per capita in 1985 and in overall GDP by 1998. What happened instead is enough to make one superstitious:

the Pacific War, with its well-educated population gradually being deployed to its best possible uses.

By the 1980s, that was over. In the euphoria of the 1970s and 1980s, many people (in Japan and abroad) convinced themselves that Japan would nonetheless sustain rapid growth by inventing new technologies, which probably explains why the high investment rate (in excess of 30 percent of GDP) continued through the 1980s. Too much good money chased too few good projects in the so-called bubble economy of the 1980s. As a result, banks ended up with many bad loans, which led to the huge financial crisis of the 1990s. Growth ground to a halt.

At the end of the "lost decade" of the 1990s, Japanese policymakers might have started to realise what was happening and what they had to lose. After all, Japan was already a relatively wealthy economy with much less inequality than most Western economies, a strong education system, and many important problems to address, chief among them how to ensure a decent quality of life for its rapidly aging population. But the authorities appeared unable to adjust: restoring growth was a matter of national pride.

As a result, successive governments vied to devise a series of stimulus packages, spending trillions of dollars mostly on roads, dams, and bridges that served no obvious purpose. Perhaps predictably, the stimulus did nothing to increase economic growth and led to a huge increase in the national debt, to some 230 percent of GDP in 2016—by far the highest of the G20 countries and a possible harbinger of a massive debt crisis.

The lesson for policymakers in China and India is clear: they must accept that growth will inevitably slow. China's leaders are aware of it, and have made a conscious effort to manage public expectations accordingly. In 2014, President Xi Jinping talked about a "new normal," of 7 percent annual growth, rather than 10 percent or more. But it is not clear that even this projection is realistic, and in the meantime, China is embarking on enormous global

construction projects, which doesn't necessarily bode well.

The key, ultimately, is not to lose sight of the fact that GDP is a means and not an end. It is a useful means, no doubt, especially when it creates jobs or raises wages or plumps the government budget so that it can redistribute more. But the ultimate goal remains to raise the average person's—and especially the worst-off person's—quality of life. And quality of life means more than just consumption. Most human beings care about feeling worthy and respected, and they suffer when they feel that they are failing themselves and their families.

While living better is indeed partly about being able to consume more, even very poor people also care about their parents' health, about their children's education, about having their voices heard, and about being able to pursue their dreams. Higher GDP is only one way to achieve this, and there should be no presumption that it is always the best one.

Many of the important development successes of the last few decades were the direct result of a policy focus on this broader notion of wellbeing, even in some countries that were and have remained very poor. For example, a massive reduction in under-five mortality has occurred even in some very poor countries that were not growing particularly fast, largely thanks to a focus on newborn care, vaccination, and malaria prevention.

This brings us back to the slowdown in India and China. There is a lot that policymakers in both countries can still do to improve the welfare of their citizens and help us cling to some hope about our planet's future. A myopic focus on increasing the rate of GDP growth could squander that chance.

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QUOTABLE Quote



KHALIL GIBRAN (1883-1931)

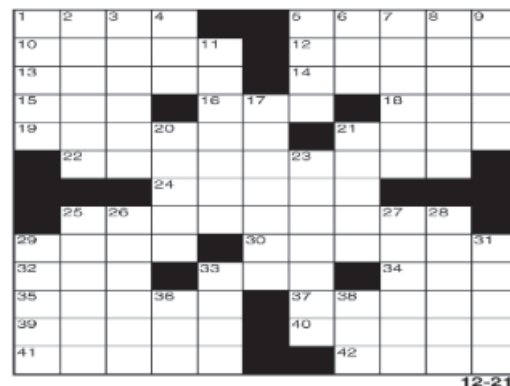
Lebanese American philosophical essayist, novelist, poet, and artist.

Generosity is giving more than you can, and pride is taking less than you need.

CROSSWORD BY THOMAS JOSEPH

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|-----------------------------|--------------------------|----------------------------|
| ACROSS | 30 Sweet treat | 7 Old counter |
| 1 Greek cheese | 32 Cart puller | 8 Bar stock |
| 5 Hockey scores | 33 NFL player | 9 Loses speed |
| 10 Blow one's top | 34 Director Ang | 11 Shifted |
| 12 Defamatory text | 35 Rock formed from clay | 17 More raucous |
| 13 Candle | 37 Purple shade | 20 Oscar or Tony |
| 14 Texas landmark | 39 Colorful flower | 21 Drive off |
| 15 Jargon ending | 40 Located | 23 Corporals and sergeants |
| 16 Complete | 41 Foils' cousins | 25 Prepare for dinner |
| 18 Intimidate | 42 Clutter | 26 Marked down |
| 19 Presidential middle name | | 27 Greet a general |
| 21 Diamond scores | DOWN | 28 Colanders' kin |
| 22 Disruptive quality | 1 Regaled | 29 Squander |
| 24 Man of morals | 2 Classroom need | 31 Oboe parts |
| 25 Loquacious quality | 3 Elvis's birthplace | 33 Livens (up) |
| 29 Prop for Potter | 4 Delighted | 36 Tell tales |
| | 6 Dressing part | 38 Objective |

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YESTERDAY'S ANSWERS



BEETLE BAILEY

by Mort Walker



BABY BLUES

by Kirkman & Scott

