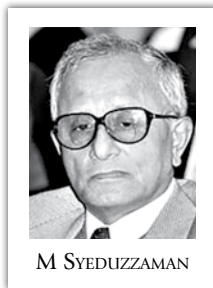


# Bangladesh's LDC graduation and the challenges ahead



M SYEDUZZAMAN

**G**RADUATION from the Least Developed Country (LDC) group to developing country status is a milestone in our development journey, and it will certainly improve Bangladesh's image globally. In the UN system, countries

are ranked as poor, LDC, developing and developed. According to the World Bank, however, the classifications are LDC (Bangladesh entered this group in the 1972-75 period), Lower Middle Income Country (LMIC), Upper Middle Income Country (UMIC), and Developed Country. The criteria on which these rankings are made are Per Capita Income, Human Development Assets Index and Economic Vulnerability Index

transition will be extended by two years and our formal graduation to the status of a Developing Country will be in 2026. We currently hope to enter the UMIC group in 2031, and the Government's ambition is to reach Developed Country status in 2041.

Given the background of a poverty-stricken country in 1971-72, Bangladesh was able to join the group of LDCs by 1975 and move forward due to its effective use of available foreign assistance in its early years, increase in agricultural productivity, permitting the use of surplus labour for industries and services, gradual move towards a market economy (but the public sector retaining "commanding heights") in the areas of infrastructure development and promotion of services, promoting the emergence of entrepreneurial spirit (such as the growth of the RMG sector), and human development measures (food security, health, education, and moving towards reducing gender disparity).



PHOTO: STAR

media reports, some South-East Asian and Middle Eastern countries have shown interest in investing in Bangladesh, especially in the Special Economic Zones and EPZs.

But to continue on the development highway as a developing country, we need to turn our attention to several areas. Firstly, we need to improve the quality of education through the modernisation of tertiary education, link education and industries, and put emphasis on skills development, in a bid for increasing our productivity. It is also important to ensure good governance with accountability and acceptance of responsibility. This extends to the need for strengthening institutional arrangement for administration by government ministries. We must also focus on strengthening the Implementation, Monitoring and Evaluation Division (IMED) for public investments, ensure zero cost and time overruns, and practice suitable quality control of such investments.

The Prime Minister, as always with humility, has said that the credit for the graduation goes to the people. Going forward, I would suggest that the government pursue some specific objectives such as arresting the growing disparity between the rich and the poor (in terms of wealth and income), reducing the inequality in provision of health services, arresting corruption at all levels of public service, and avoiding the growth of, and ultimately eliminating, the "politically protected" groups in business (which hurt many vulnerable groups in different areas of the economy).

Finally, the most essential pre-conditions for continuing on the highway of growth and development, to reach the Upper Middle-Income Group by 2031, and the Developed Country Group by 2041, will be political stability, macroeconomic stability, annual reviews of the performance of the Eighth Five-Year Plan, and putting great emphasis on the objectives of the Constitution of 1972 finalised by Bangabandhu, for ensuring justice and equity.

M Syeduzzaman is a Member of the Board of Trustees, Centre for Policy Dialogue and Former Minister for Finance, Government of the People's Republic of Bangladesh. Views expressed in this article are the author's own.

*In the areas of economic management, our mixed economy system will have to continue with the public sector taking the "Commanding Heights" for infrastructure development, implementation of fast-track projects, and strengthening and expanding the public-private-partnership system.*

(population size, national disaster incidence and handling).

After satisfactorily achieving the Millennium Development Goals (MDGs), Bangladesh was included in the LMIC group and its place there was confirmed in 2018. The second confirmation requirement has been met, and the UN Economic and Social Council (ECOSOC) will make their recommendation in June 2021. This will then be endorsed by the UN General Assembly in September 2021. Due to the pandemic, however, the normal three-year period of

Bangladesh's achievement of MDG targets in 2015 was an indication of its progress. There are two things in particular that helped in making this possible: having the Constitution of independent Bangladesh—which Bangabandhu finalised on November 4, 1972 and which was approved by the Jatiya Sanghad in December 1972—as the basis for its economic policies; and demographic transition at lower levels of income—an achievement of Bangladesh that is considered to be unique by many economists.

At the outset of the First Five-Year Plan,

when asked about his top priority in its implementation, Bangabandhu told journalists, "I have no 'number one' priority but I have a joint first priority—food self-sufficiency and population control."

We have to remember that worldwide, trade is a key tool of development that has led to globalisation. However, after graduating to a Developing Country, we will have to face some challenges in this area. For instance, we can no longer enjoy duty-free and quota-free export, and will face duties and reduced benefits of export to countries in the European Union. Rules regarding trade-related intellectual property rights (TRIPS) may also be tightened by importers of goods from Bangladesh. Terms of foreign aid (from bilateral-multilateral sources) may become harder, and subsidy and cash assistance to exports may not be acceptable by some importing countries. Sometime in the past, Bangladesh was an "International Development Association (IDA) only" country, and we were also borrowing from the World Bank on harder terms. After graduation, the benefits we enjoy of being IDA only country will also decline. Similar changes will be taking place with other multilateral aid agencies. Bangladesh

has to look for free trade agreements, such as the one between Vietnam and the European Union. We will also have to make better and more efficient use of our economic zones and export processing zones (EPZs), preferably with the diversification of exports.

In the areas of economic management, our mixed economy system will have to continue with the public sector taking the "Commanding Heights" for infrastructure development, implementation of fast-track projects, and strengthening and expanding the public-private-partnership system. Additionally, the revenue-tax/GDP ratio needs to go up, and policy reforms and investments will also be needed for greater ease of doing business. There must also be a focus on improving competitiveness, keeping in view competitive advantages such as wage levels and the faster processing of investment proposals. Moreover, the productivity of all sectors—agriculture, industry and services—must be increased.

By taking proper actions regarding these issues, we can attract quality foreign direct investment (FDI), along with growing private investment, which has been at a stagnating level for the past few years. Our investment policy is supportive of FDI, and according to

## The forgotten people of our wetlands



ARAF MOMEN AKA

**T**HERE is something surreal about Bangladesh's wetlands. Miles of beautiful scenery, of sparkling shallow waters surrounding patches of land full of greenery. The waters teem with fish that the local fishermen can make

a living out of. We are naturally blessed with several types of wetlands too—rivers, haors, beels, baors, chars, coastal islands, marshes, you name it. Yet the plight of the people who live on these wetlands lies almost invisible and forgotten to us beneath all this beauty.

Picture this: You live in a tiny makeshift hut with a family of four on an island in the coastal areas. You wake up every day to have nothing but *panta bhaat* and *daal*, (plain soaked rice and lentils) and get to work at a farm or a fishery. After a long day of gruelling work that hardly pays, you count yourself lucky to be able to afford something like fish, or meat if you somehow manage to afford that luxury, for lunch with the staple rice in the late evening. Drinkable water is rare, and you pray that water levels around the island you live on do not rise and contaminate your food, drinking water and crops with saline water, as well as hoping that the ground beneath you does not vanish into the waters that keep closing in.

This is a common scenario for the everyday lives of people living in the remote wetlands of our country. The Household Income and Expenditures Survey 2016-2017 pointed out that the poverty rates shot up from 2010 to 2016 in places like Kurigram, Dinajpur, Sherpur, etc. Some places, like Kurigram (71 percent) and Dinajpur (64 percent), had

shocking levels of poverty. Terrible nutrition values and diseases are commonplace in our remote wetlands, and the people find it impossible to escape the poverty trap. Environmental hazards like storms and soil erosion are norms, too.

To add to that, people in the wetlands are also helpless against natural disasters, as evidenced by the havoc unleashed upon our coastal areas by storms and tidal surges triggered by Cyclone Yaas. To quantify the



PHOTO: STAR

damage, about 6,000 families' homes were flooded in Koyra upazila, nearly 2,570 houses were damaged in Cox's Bazar, 727 kilometres of roads were damaged in Patuakhali, and so on. Tens of thousands of people living in shelters—5,000 in Koyra upazila alone—suffered from a lack of food and water. All this, after seeing their homes and whatever

little belongings submerged or destroyed, and their crops and livestock killed off as collateral damage by the cyclone's wrath.

Relief groups, mostly non-government ones, often try to help these people through raising awareness about their rights, safety measures and providing food relief to impoverished families. They also get to see the terrible states of the people living in the wetlands first-hand.

Mohammad Amirul Huque Parvez

fishermen earn from selling the fish they catch is proportionately very small compared to what the middlemen earn from reselling them. None of the equipment (neither the boats, nor the nets) belongs to the fishermen, so they are completely dependent on the middlemen for their livelihoods, as they cannot afford the equipment themselves.

Amirul Huque confirmed that the people in the coastal areas also find it very difficult to move around from one place to another, as transport systems are either perilous or non-existent. So, essential facilities like schools or hospitals are out of reach for the inhabitants. He added that the income potential in these islands is huge, but the people who are making it possible are not earning what they deserve.

To present an example, he pointed out that he had visited a *char* once that had managed to fish *hilsa* worth around Taka four crore in a single year. The *chars*, however, are not regulated optimally, and thus extreme poverty and low living standards plague the inhabitants. So the relief and the spread of awareness that Upokul Foundation and other relief groups provide are just not enough. If the government were to step in, things would take a turn for the better for the lives of the poor.

From an agricultural point of view, the people in our wetland areas produce mind-boggling figures when it comes to agricultural and fish-product yields. These wetlands are ideal breeding grounds for many sorts of fish stock such as *rui*, *katla*, *mrigal*, etc. According to the USAID statistics on Bangladesh's wild fisheries, our fisheries contribute about seven percent of the world's inland fish productions. As for agriculture, an ongoing research abstract by Bangladesh Institute of Development Studies (BIDS) pointed out that the *haor* region of the Meghna basin in northeastern Bangladesh alone manages to

produce 27 percent of Bangladesh's total *bora* production and 15 percent of our total rice production.

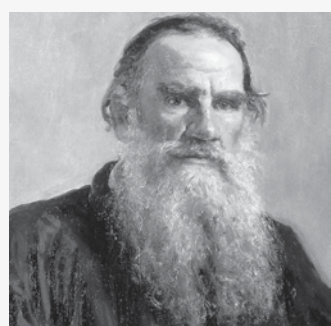
We would not be wrong to expect, then, that the segments of our population which contribute a huge chunk of the Tk 2,874.26 crore in exports (Fiscal year 2019-2020, upto January 2020)—through fisheries alone—deserve to live with some form of certainty about their lives and livelihoods. The people who live in and around the wetlands either have poorly managed facilities (schools, healthcare institutions and clinics), or no such facilities at all.

NGOs have tried to help these unfortunate groups, but it is not enough. Our government has the resources to provide them with properly maintained schools and healthcare facilities—and physical roads to get to these places. Strong embankments can be built to prevent tidal waters from posing so much of a threat. Awareness campaigns on how soil erosion can be slowed down or stopped through mulching and laying down sandbags on the banks and backyard gardens can be carried out or funded by the government, too. Proper regulations of fixed and fair prices to fishermen and farmers could be imposed as well, with consequences available for middlemen that try to underpay the people in need.

The people of the wetlands, despite their contributions to maintaining the food security of the country, are neglected and forgotten, as if punished for their ill fate of being born in such remote areas. The government and non-government organisations must make concerted efforts to provide these people with the basic rights of food, shelter and education, as well as fair earnings from their livelihoods.

Araf Momen Aka is an intern at the editorial department of The Daily Star.

### QUOTABLE Quote



LEO TOLSTOY (1828-1910) Russian writer

*The two most powerful warriors are patience and time.*

### CROSSWORD BY THOMAS JOSEPH

**ACROSS**

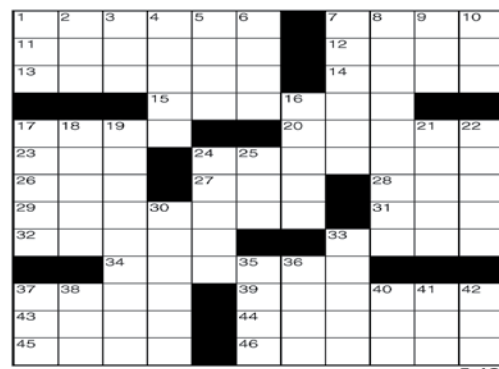
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- 33 Manual reader

- 34 Completes, as a comic strip
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- 39 Mysterious
- 43 One of the Beatles
- 44 Visit
- 45 Different
- 46 Massages

**DOWN**

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- 3 Lupino of film
- 4 Sonar sounds
- 5 Formerly
- 6 Consider
- 7 Patch type
- 8 Yummy
- 9 Fall behind

- 10 Geologic period
- 16 Pol's concern
- 17 Subject
- 18 San Antonio landmark
- 19 Walking on air
- 21 Throw
- 22 Church feature
- 24 Celery serving
- 25 Contrived
- 30 Snarl
- 33 Cousin's dad
- 35 Pillage
- 36 Persia, today
- 37 Clumsy one
- 38 Lass
- 40 Copying
- 41 Wordless approval
- 42 Print units



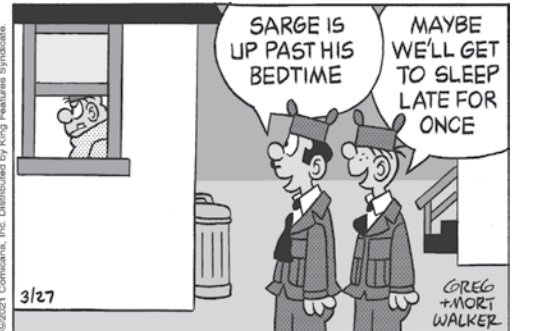
### YESTERDAY'S ANSWERS

H O L E S    D E N I M  
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R O C K A N D R O L L  
T R Y    T U G N E T  
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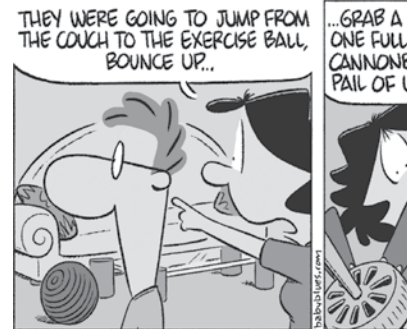
### BETLE BAILEY



### BY MORT WALKER



### BABY BLUES



### BY KIRKMAN & SCOTT



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