

# TEN TASKS FOR FUTURE BANGLADESH



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Bangladesh has turned a page in its political history and a new phase of political governments is about to start. This may, therefore, be a good time to think about the future socio-economic tasks. In my view, these tasks may be grouped under the following ten heads.

### 1. Reducing inequality

The first task is to reduce economic inequality. This has been the main goal of the 2024 mass uprising. Income inequality in Bangladesh, as measured by the Gini Coefficient, increased from 0.388 to 0.570 during 1991-2022. Income inequality led to the capture of political institutions by the rich, resulting in a further increase in income inequality, and leading to the 'Inequality Trap.'

Policies are needed first to reduce inequality of 'primary income,' which includes wages, profits, capital gains, rent, etc., that people obtain by using their labour and capital in the market (hence also called 'market income'). Achieving this goal requires adequate wage growth and diffusion of capital income among common people through expansion of cooperative ownership of assets, enterprises, and sharing of profits with workers of private enterprises. Unfortunately, wages in Bangladesh grew by only 1.15 per cent per year during 2011-15 when per capita income rose by 4.9 per cent annually during roughly the same period.

Policies are also necessary to reduce inequality in 'disposable income,' which is what the people have after paying taxes on their primary income and receiving transfers. For this purpose, the tax schedule has to be progressive and honestly implemented. Transfers can take two forms: cash and non-cash. Examples of non-cash transfers include public provision of education and healthcare. If designed properly



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and implemented honestly, both cash and non-cash transfers can be effective. Non-cash transfers can also help to increase social cohesion and reap the benefits of positive externalities (for example, when one person gets educated, others benefit too).

### 2. Achieving good governance

The second important task is achieving good governance. As per the six World Governance Indicators (WGI), Bangladesh ranks the lowest even among South Asian countries. There are two sides of governance: political leadership and bureaucracy. They influence each other, but the primacy in this interrelationship belongs to the political leadership. A major cause as

well as consequence of Bangladesh's poor governance is the 'Leakage Model' of economic growth that the country followed in past years. Under this model, large sums of public money (from government budgets and the banking system) leak to the private sector through improper and illegal ways. This leads to capital flight, the Debt Trap, and ultimately to the Middle-Income Trap. This corruption within the government saps morality at all levels of society and ultimately makes society dysfunctional. An urgent task, therefore, is to move away from the Leakage Model through necessary political and administrative reforms, as discussed below.

### 3. Proportional election and shorter government term

A slew of political reforms was considered recently by the reform commission. However, as I showed in my recent book *Unnayaner Jonno Shushasni* [Good Governance for Development] (UPL 2025), the essentially necessary political reform is the switch from the current constituency-based election to proportional election. The 2024 mass uprising forced the option of proportional election onto the national agenda, and the upcoming referendum is to include the proposal of creating an upper house of the parliament based on the proportion of votes received. However, the party anticipating a simple

majority among the voters did not agree to this proposal. Anticipating this problem, I suggested earlier making use of the 'Veil of Ignorance' construct of John Rawls, the eminent philosopher, to overcome this hurdle. Under this construct, proportional election should have been proposed not for the 13th parliament but for future parliaments, beginning with the 14th. Chances for acceptance of this proposal would have been greater because it would be difficult for the parties to be sure about enjoying a simple majority of voters so far into the future. Another important political reform is the shortening of the government term. This proposal too faced dissent arising from the same anticipation of a simple majority. The 'Veil of Ignorance' construct could be applied to this proposal as well. Going forward, popularising proportional election and shorter government term will therefore remain an important task.

### 4. Greater emphasis on protection of the environment

A crucial task for future Bangladesh is making economic growth compatible with the protection of the environment. Bangladesh's extremely high population density makes this task imperative. The country does not have any 'natural cushion' that can save it in the eventuality of an environmental collapse. The country is yet to rise up to the fact that the coast is sinking below sea level; the river system is collapsing; waterlogging is spreading; inappropriate transportation policy is aggravating traffic jams in Dhaka City and spreading them to other cities and towns; heaps of plastic waste are spreading like a cancer; and the fertility rate, after declining in past decades, is now on the rise, further aggravating the population situation. The country is almost sleepwalking towards an environmental disaster.

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