

Address of Welcome

Sayed Abdul Hye

Convener, Conference Convening Committee

Respected Chair : Professor Muinul Islam;
Respected Justice Habubur Rahman, Professor Rehman Sobhan, Professor Abul Barkat;
Respected Session Chairs, Memorial Speakers, and authors of different Session papers;
Respected BEA members and guests present;
Beloved students;
Ladies and gentlemen;

It is a great privilege for me to have this opportunity of welcoming you to this biennial conference of the Bangladesh Economic Association.

The broad theme of this year's conference is **State and Markets : The Bangladesh Perspective**. The Bangladesh Economic Association feels that the time is appropriate to intensively discuss and come up with policy prescriptions on the role of the state in Bangladesh. The integration of the world into a single economic order through **globalization** of markets – the goods markets, the capital markets, the money markets, and even the service markets is moving very rapidly and impacting on Bangladesh like other developing countries.

Theodore Levitt who first used the term **Globalization** in his book, **The Globalization of Markets** (1985), sees it as “a seamless or borderless, global economy”. More appropriately, it is imbued with precise sets of economic activities with precise characteristics on a global scale. The champions of free market dynamics base their arguments on the doctrine of neoclassical free market economic theory. The major actors on this global stage are Multinational Corporations (MNCs), Transnational Corporations (TNCs), Bretton Woods institutions, and World Trade Organization (WTO). Under such free market dynamics the national capitalists in connivance with the multinational corporations and the international institutions wield much influence on the national economic, and even political management. State role and even state

sovereignty are thus sometimes undermined. The advocates of globalization sometimes argue that the state must accept its shrinking role for the new “realities” of global competition and the emergence of an integrated global economy. Should we, the members of BEA, accept this proposition uncritically?

There is an alternative vision, which maintains that national identities still count, but gone are the days of the old Keynesian-Fordist notion of national production and consumption. Closed economy models, or centralized planning are of academic interest only. The new development agenda discards the notions of ‘**only-government**’ or ‘**only – market**’ based development. Governments and markets are now seen as complements to each other rather than substitutes. In some circumstances government help to create markets (e.g. the financial market in many East Asian Countries); in some others the two work together and in still others the government provide the essential regulatory framework without which markets cannot function. Joseph E. Stiglitz’s comment on the complementarity between the state and the private sector is noteworthy here. He writes, “when the government performs its regulatory role well the private sector can also perform its role well...” (Public lecture organized by BEA, Dhaka, March 14, 1999).

A critical discussion on this debate in the perspective of Bangladesh is appropriate and timely.

Ladies and Gentlemen

Even the World Bank, the leading advocate of free market economy, in recent years, has occasionally advocated an increased role for the state in managing the adverse effects of **globalization**, on the condition that states practice the “good governance” guidelines set forth by the Bank. The international community for development (ICD) has also made ‘good governance’ a critical policy goal for the developing countries, particularly for Bangladesh. But crime, violence and corruption are pervasive in the country. Recently, the Transparency International (TI) has once again identified Bangladesh as the world’s most corrupt country. Whether we agree with TI or not, the truth is that corruption in the country is widespread and has been the major impediment to development – economic or social. Crime, violence and widespread corruption in the government sector including the law enforcing agencies, must be controlled without further loss of time for securing good governance and creating an environment congenial to uninterrupted socio-economic development. This is the responsibility of the state, only of the state.

Fellow Economists

May I take you for a while little beyond pure economics and provoke the thoughts of the political policy makers. Bangladesh is legislated by just one-chamber Parliament. 300 members of Parliament (MPs) decide the fate of about 130 million people. On the average one MP represents more than 0.43 million people whom the representing MP can never meet personally and know their problems. This creates corrupt and vested interest intermediary groups between the MP and the people of his constituency. The MP becomes vulnerable to corruption and lacks transparency. This is a mockery of democracy. Under the circumstances can we think of some sort of a **federal parliament** with one at the division level, in addition to a strong local level government? What I am trying to make is that the existing one-chamber parliament in Bangladesh be transformed into two Houses – Upper House and Lower House. This I think, will ensure transparency in the government sector; improve law and order situation; control corruption; address regional, local, and ethnic problems better; and in the process help ensure good governance.

Fellow Participants

For three days from today you will be discussing and drawing conclusions on different aspects of this year's conference theme. There are **Seven** academic sessions, in addition to this inaugural session and a plenary session at the end of the conference. The seven academic sessions are :

1. State, Market and Institutional Transformation;
2. Rural Economy, Infrastructure, Agriculture, and Local Government;
3. Industrial Sector, and Financial Sector;
4. Human Development, Social Capital, and Environment;
5. Poverty and Disparity;
6. Economics of Corruption; and
7. Trade, Investment and Foreign Aid.

You will be happy to note that each of these sessions is dedicated to the memory of an eminent economist who is no longer with us, but whose thoughts, teachings and contributions are still very alive and influence us. Thus, the sessions are dedicated respectively to the memory of Late Prof. M. N. Huda, Late Prof. A. F. A. Hussain, Late Prof. Malik Khasru Chowdhury, Late Dr. Mazharul Huq, Late Prof. A.N.M. Mahmood, Late Dr. Abdul Ghafur, and Late Prof. M. Akhlaqur Rahman.

In addition to the memorial lectures a number of relevant papers will be presented in each session. This year many respected members wanted to present papers. But for time constraint, we could not accommodate all the papers. So, the executive

committee and the editorial board had to be little selective. We are sorry for those who have been left out.

Fellow members

Economists of the country have had associated themselves directly or indirectly and sometimes marginally in the process of identifying hindrances to development particularly, pro-people socio-economic development, and addressing the pressing economic issues and suggesting ways out, all through. As in the past, during the tenure of the present executive committee such activities of the BEA continued. In this context we may remember the BEA seminars, roundtables etc. on national issues like Gas and Gas exports; Sea ports; Education and Violence in the Campus; Globalization; Foreign Aid; Budget, etc. Unlike many other professional associations BEA always remained above trade unionism, and dedicated itself to address issues which are national in character. BEA always work for combating inequity, poverty, environmental degradation and any anti-people activity. I am confident that the Association will continue to do so.

Ladies and Gentlemen

We hope that the papers to be presented in the academic sessions will be the catalyst for discussion and the appeal will not end up with the ending of the sessions or the conference. I hope the ferment of ideas generated from this conference will have its impacts not only on us but also on the policy makers.

With this hope I, on behalf of the Bangladesh Economic Association, welcome you all to this Biennial Conference.

Thanking you.