

Challenging Bangladesh's Crisis of Governance: An Agenda for a Just Society

Rehman Sobhan*

Introduction

For a generation such as ours which lived in hope that an independent Bangladesh would lay the foundations of a democratic, secular, self reliant and egalitarian society based on justice, contemporary Bangladesh remains a far cry from the aspirations of its founding fathers. Our democratic system was held captive in the cantonment for many years. The restoration of a pluralist democracy since 1991 has not fulfilled the promise of accountable governance. Secularism was not only eliminated as a pillar of the constitution but we have since become more communal and intolerant of the rights of minorities in our society. Over the years our commitment to nationalism has been eroded not just by our external dependence for resources to underwrite our development but we have surrendered our autonomy over economic policymaking to our development partners. Above all we have become less egalitarian as a society to the point where two societies appears to co-exist in one country. This growth in inequality has little to do with efficiency or merit but originates in an unjust social order which rewards malfeasant behavior and provides insufficient incentives to the creative and hardworking elements in society.

In such an environment people have tended to trade their expectation of a better future for their country for the pursuit of private agendas where the self and household delimit our aspirations so that private gain prevails over societal progress. In spite of this erosion of hope and the obsession with private gain enough people remain captivated with the vision of a better Bangladesh to ensure that the flame of hope lit by those who fought for our liberation, however dim it may appear today, remains unextinguished. This abdication of civic responsibility

* The author is Chairman, CPD. This Paper was presented at the XV Biennial Conference "Bangladesh in the 21st Century: The Political Economy Perspectives" of the Bangladesh Economic Association held on 8-10 December, 2004, Dhaka.

in sustaining the functioning of a democratic society has exposed Bangladesh to a crisis of governance which is eroding the foundations of our political order and compromising our opportunities to build a dynamic economy within a viable society.

Bangladesh, viewed from a global perspective, is a country which in its emergence as an independent state was possessed of a variety of positive assets which could have transformed it into a dynamic, democratic society. Over the years new areas of opportunity have opened up. In my address I intend to explore some of the contemporary developments and circumstances of Bangladesh which provide some grounds for hope as well as suggest areas of action which can arrest the deterioration in the state of governance and can serve to build a more livable society. I will structure the paper around three pivotal themes associated with such an agenda for sustaining hope in Bangladesh's future – democracy, nationalism and social justice.

Democracy

Bangladesh's political assets

Every major political event in the history of Bangladesh over the last 60 years originated in a process of democratic mobilisation. The liberation of Bangladesh and the overthrow of the Ershad autocracy were sustained by such a process. There was therefore every expectation that the Bangladesh polity would be grounded in a working democracy underwritten by the hunger for democracy of its citizens. Today few people would have reason to feel optimistic about the state of democratic governance in Bangladesh. After 13 years of democratic renewal, where three elected governments and two political alliances have held office our political institutions are becoming increasingly dysfunctional. The very institutions of democracy, elections, parliament, political parties, show signs of degeneration in their practises. The culture of intolerance which permeates our polity holds the nation hostage to a confrontational style of politics which is making the democratic process unworkable.

Ironically this process of confrontational politics originates in what should have been the most positive asset for sustaining a democratic system in Bangladesh. Since 1991 Bangladesh has witnessed the consolidation of a viable two party system. This system is anchored by the Awami League elected to power in 1996 and the Bangladesh Nationalist Party (BNP) which was elected to office in 1991 and again in 2001. Each party operates with a national support base and retains a

credible prospect of capturing state power through the electoral process. The amendment to our constitution in 1996 has institutionalised the preconditions for holding such free and fair elections under a non-partisan, caretaker government which leaves the two parties with equal opportunities to solicit the support of the voters. Bangladesh's two party system should have minimised the scope for political instability in contrast to India, Pakistan, Nepal, even some of our South East Asian neighbours. Most of our neighbours either have to cope with the uncertainties associated with a multiplicity of parties sharing state power or remain exposed to the authoritarianism associated with a single party dominated polity.

The crisis of democracy

Unless our principal political parties are willing to practise tolerance in their dealings with their opponents parliamentary democracy will become a constraint rather than a resource for stimulating good governance. A workable two-party democratic system demands tolerance for each others positions, respect for the democratic rights of the opposition and a regular process of consultation both in the functioning of the democratic system as well as in the design of national policy. A majority party or alliance, commanding less than 50% of the national vote has to constantly consult with the opposition parties who represent more than 40% of the voters, if the political system is to remain effective. The practise of 'illiberal' democracy based on a *winner take all* philosophy may be legally correct but remains politically unsustainable.

Already this practise of 'illiberal' democracy has contributed to the proliferation of a breed of politicians exclusively preoccupied with private gain where money and arms rather than democratic consent is seen as the route to power. This new breed of politicians are now evolving from the role of foot soldiers into field commanders, in the confrontational environment of contemporary politics, where corruption, violence, mendacity, slander and incendiary rhetoric pollute the vocabulary of politics. It is small wonder that parliament is no longer seen as an arena for intelligent, even coherent discussion of national problems and policies. Nor is there any evidence that our principal political parties are unduly preoccupied with finding solutions to the myriad problems which oppress the ordinary people in Bangladesh.

It is now recognised not just in Bangladesh's but also by our so-called development partners that a transformation of Bangladesh's developmental landscape would be unrealisable without a transformation in our political culture.

Current producers as well as prospective investors need social and political stability to sustain their entrepreneurship. A visibly malfunctioning democratic system which carries the threat of constantly imploding is not an ideal environment to optimise productivity or initiate long term investment.

Adversarial politics is also aggravating the misgovernance of the economy. Such politics has contributed to the politicization of the bureaucracy and a malfeasant system of law and order. These instruments of governance, operating without accountability or transparency, leads to the machinery of state being used as a political resource rather than an instrument of governance. The resort to arbitrary and often extra-judicial forms of law enforcement through such agencies as *Operation Clean Heart* and now the *Rapid Action Battalion* (RAB), may lead to a temporary abeyance of crime but their sustainability is questionable because these agencies operate outside the institutional structures of the state. Nor do they address the source of the problem which lies in the patronization of criminals in the service of party politics.

Transforming the political culture

Can anything be done about transforming our political culture and reforming our governance? We have to live with the reality of a two-party political system and should seek to draw upon its advantages rather than live with its liabilities. This recognition of the dominance of two major parties in the polity remains without prejudice to the need for at least some ideologically motivated parties since both our parties, whilst divided by their historical inheritance, remain parties of the political centre. Indeed, within the prevailing bipolar polity in Bangladesh democracy could be well-served by some ideologically inspired diversity.

Given the reality of our two-party dominated system major efforts at reform must be focussed on the two principal parties. The prospect of these two political parties reinventing themselves does not, however, appear to hold much promise. Pressure for political change in these parties must, therefore, in large measure originate from civil society. However, those in civil society who would seek genuine political change for better governance in Bangladesh will have to expose themselves to the inconvenience and hazards of political involvement in sufficient numbers to make a difference. Such people will have to join political parties and from within demand a reconstruction of its political culture, including the democratisation of the party. Such a commitment by civil society will not come easily because it involves, effort, risk and above all time, which are more difficult to come by than sitting in seminars, giving statements to the newspapers or even

participating in the occasional demonstration. Such an attempt to upgrade the quality of representation in our political parties will generate resistance from enhanced vested interests in the parties. But it is arguable that if such newcomers demonstrate patience, humility and dedication in their commitment to political work, there remain large numbers of uncompromised political workers and leaders who would be able to draw upon these newcomers as allies in building a modern political party.

Building a third party always remains an option. But in our political environment this remains a Herculean task demanding resources, commitment, full time political activism by a new generation of cadres and injection of considerable financial resources. It is to be seen whether such a constellation of political forces can at all be assembled or even be permitted to take root by the dominant political parties in Bangladesh.

Reforming political finances

A major source of the degeneration in our political culture originates in the need for mobilising private funds for financing party and electoral activities. This pursuit of private finance for underwriting party activity makes both parties and their leaders hostage to special interest groups. Much of the corruption and malfeasance in decision-making originates in the need to do favours to such political financiers. A peculiar symbiosis now binds politicians, businessmen and bureaucrats together in a collusive relationship which has infected the entire system of governance. Such a system of political financing by its nature, remains devoid of transparency.

Any effort to reform politics from within thus needs to reduce the dependence of the political process on private financiers. One way to break the hold of such financiers is to introduce public funding to underwrite democratic politics through allocations in the national budget. Since financing of political activity would originate from the public exchequer its utilisation by a party would demand transparency in the administration and accounting of the funds. This may involve audit of party finances and greater inner party democracy in the disposition of such funds.

The role of civil society

Upgrading the quality of political participation would need to move in tandem with pressures for political reform emanating from a more pro-active civil society.

Trade unions, peasant organisations, women's groups, human rights and environmental activists, professional organisation as well as business associations have all become increasingly active in Bangladesh in recent years in seeking remedial action from the government or in pursuit of particularist agendas. Such efforts, whilst realising some gains, have tended to be episodic and have thereby failed to build up a critical mass to realise substantive change. Such organisations, acting both individually and collectively will, therefore, have to commit themselves to civic involvement and advocacy as a full time exercise.

Since the business community is also a part of civil society they must engage themselves not just in the pursuit of their sectoral agendas but concern themselves with the broader aspects of governance. This involves both responsibility to help the community where they do business as well as accountability and transparency in their practises. Thus, the business sector needs to remain more accountable to all its shareholders as well as its workers, to depositors who use private banking services, to local communities where they operate and to the public at large.

A pro-active civil society means that Bangladeshis will need to come out of their drawing rooms, seminars and coffee shops in increasing numbers to assert their rights as voters and citizens. Parents of children in government primary schools and users of primary health care centres must come forward to demand effective service. Citizens in every locality of Bangladesh must challenge the police to provide honest and effective law enforcement. Municipalities must be pressured to provide clean neighbourhoods. This exercise of civic power will need to be escalated to make ministers, parliamentarians and bureaucracy accountable for their every action or inaction so as to make them count the political costs of malgovernance. The idea of citizen's groups preparing report cards on the functioning of Ministries, departments and the local administration, the performance of MPs and the background of prospective candidates for electoral office, is one such idea which merits active attention. If our citizens cannot make the effort to demand better governance as a matter of right, then we must be prepared to live in a misgoverned polity.

Nationalism

Coping with globalisation

In this day and age of globalisation an exclusively national agenda is no longer meaningful. Whether we like it or not Bangladesh will have to participate in the process of globalisation and will have to interact more closely with our neighbours in order to better equip ourselves to cope with this process.

Bangladesh, over the last two decades has already been exposed to a process of external dependence because of the dominant role of aid donors in underwriting our development finance and influencing our policy agendas. Donors are, today, much more assertive as a price for committing their aid to Bangladesh. Not only have donors sought to use aid conditionality so as to impose policy reforms on Bangladesh but they are now becoming more exigent in their demands for better governance. This tendency of the donors to intrude from the economic to the political domain in their attempt to influence Bangladesh's policy agendas indicates that two decades of donor driven policy reform have yielded only modest returns.

In contrast to the increasing trend by donors to influence both policy and governance the share of aid as a resource for development has declined from around 10% of GDP in the early 1980s to 2 or 3% today. This decline in aid dependence in Bangladesh reflects both an improved capacity for domestic resource mobilisation as well as an expansion in our export earnings over the last decade. At the same time the 1990s witnessed an absolute stagnation and decline in the share of aid resources in total public expenditure. The tendency for donors to seek to influence our national policy agendas appears to have risen inversely to their contribution to our public finances, as a result their ability to exercise leverage over our public finances today compared to a decade ago has also weakened. The emerging policy vacuum in Bangladesh has not been readily filled by the government of Bangladesh who still look to our aid donors to set the policy agenda.

This decline in the importance of aid in Bangladesh is part of a changing global scenario where donors are limiting their aid commitments and countries such as Bangladesh are being propelled by their donors to seek foreign direct investment (FDI). Bangladesh, therefore, has to not only make itself receptive to donor advice but to make itself attractive to prospective private foreign investors. This involves not just sound macro-economic policies but a working infrastructure, effective as well as more honest governance and above all a stable political environment. In contrast to aid where access originates in the specific relationship of Bangladesh with its aid donors, to attract FDI Bangladesh has to compete with other developing countries throughout the world. Thus, today there is much less assurance available to Bangladesh that a sufficiency of external resources needed to support its development programmes will be realisable.

Today Bangladesh has graduated from an aid to a trade dependent economy. This is a much more positive development but exposes us to all the vicissitudes of the

globalization process beginning with the phasing out of the *Multifibre Arrangement* (MFA) from 1st January 2005. We will now have to face the risks of competing in global markets with China and India without the protection of quotas for our readymade garments (RMG). In the post-MFA era access to the US and European Union (EU) Market has become much more crucial to our economic fortunes than their aid commitment to us. As an LDC the EU has give Bangladesh duty free access to its market under the *Everything But Arms* (EBA) policy enunciated in the LDC conference in Brussels in 2001. This gives us some advantage over such competitors in the RMG sector as India and China but still leaves us without the shelter of quotas. The US is less inclined to give us duty free access which has been provided to the African and Caribbean Basin countries as well as to Jordan, Egypt and Israel. The US is today using its large market as a strategic resource where free entry demands payment of a political rent which so far has not been demanded of Bangladesh.

At the same time, the immigration policies of Saudi Arabia, UAE, Malaysia, Pakistan or India are also no less important to our future than World Bank loans to finance economic reforms. Bangladesh thus needs to adjust its external economic relations to make the best use of trading opportunities on offer under the process of globalisation. However, as a beneficiary of such export opportunities Bangladesh has to compete for such markets with many other developing countries (DC) and less developed countries (LDC). Such a process of globalisation will, therefore tend to favour those countries who can equip themselves to compete in a harsh and unpredictable external environment. What Bangladesh needs to do is to put in place an agenda for coping with globalisation so that we can exercise some influence over the terms on which we participate in the process rather than remain as helpless victims of this process.

Whilst the process of globalisation is impacting on Bangladesh in a wide variety of areas we limit our attention in this address to those aspects which remain likely to impact on our external earning capacity. We will, therefore, need to carefully review Bangladesh's role in the WTO. This review will demand that we analyse our options and improve our negotiating capacity in order to obtain the best terms which we can hope to extract from the global negotiations. We will need to study the agendas of our bilateral economic partners to identify where export opportunities may open up for Bangladesh. We should draw upon such assessments so as to enhance our diplomatic capacities to enable us to exploit opportunities on offer to us. At the same time we need to develop our supply side capacity to create and exploit new opportunities available to us in the markets of these countries both under the EBA and in other markets in North America, Japan

and with our neighbours in Asia. We have a large potential as an exporter of labour services. However, our service exports should not depend on the enterprise of our illegal emigrants but on our capacity to ensure that free export of labour services becomes a legitimate part of the process of globalisation.

Bangladesh will need to invest in equipping ourselves to participate in the globalisation of information both as users of knowledge as well as providers of information services. We already lag far behind our neighbour, India, which is moving rapidly to avail of global opportunities on offer in the software and outsourcing market as well as newer areas of information services. The growth in training schools for informatics and software in Bangladesh is an indication of the enterprise of our youth to participate in the information revolution. Such private initiatives should now be backed by the state as part of a major strategic effort. The principal goal of such public initiatives should be to reach the IT revolution into our villages and to use this to liberate the poor from their isolation and equip them to gain from the opportunities of globalization.

We will further need to diversify our production and export capacities. Bangladesh is in danger of being trapped into a highly concentrated export structure where RMG today accounts for 75% of our exports. We may begin this process by moving to add value to the RMG sector which has already carved out a market niche in the *global* trading system. Value addition to our RMG sector may be realised through greatly enhancing investment in backward linkages through domestic manufacture of yarn as well as fabrics and forward linkages in the area of design and marketing of the RMG. If we play our cards right Bangladesh has a capacity to significantly expand our aggregate export earnings from RMG in the next decade if we can enhance our competitiveness. We may or may not be able to realise these goals but it is important to recognise that such opportunities are open to us because we have already established that we can export RMG and labour services on competitive terms. Failure to remain competitive could lose as what gains we have thus far registered in the RMG sector. The same areas of comparative advantage enjoyed by Bangladesh in the RMG sector can be exploited in the area of leather products, consumer electronics, toys, or other labour intensive economic activities.

In recognising that our future lies in trade not aid Bangladesh should redefine its relations with our donors. Our diplomatic initiatives should move away from soliciting aid to securing and sustaining access to global markets as well to that of our immediate neighbours. Whatever aid is likely to be available to us should be focussed on enhancing our capacity to participate in the global trading system.

This enhancement of our competitive capacities will demand investments in both basic education as well as skill upgradation and in development of our information linkages to the international system. This will also require investments in physical infrastructure where aid should be used to reduce our exclusive dependence on foreign private investors to meet this need.

Recapturing ownership over the development agenda

Bangladesh's need to cope with globalisation should not leave us exclusively preoccupied with enhancing our export capacity. Bangladesh is possessed of a population approaching 130 million who provide a large and growing demand for goods and services. Such a domestic market is an important resource of Bangladesh not available to countries with smaller populations. We need to gear our production systems to service this demand rather than surrender our local market to foreign suppliers in the name of globalisation. To this end we must refocus both policy and political attention to meeting local needs even if this means some challenge to the process of globalisation. Neither our neighbour India, or China or the US are so casual about surrendering their large domestic market. We therefore need to invest as much attention on ensuring more competitive local production of goods and services for the local market as we do to export promotion. Promoting local production capacity will be particularly beneficial to small scale and rural producers who cater largely to local needs. Stimulating demand for small industries has the further advantage of widening domestic development opportunities because of the greater use by this sector for intermediate inputs derived from local resources and skills. Since the small scale sector has always been neglected as regards both policy and resources a major thrust area for Bangladesh should therefore be towards promoting this sector by helping to upgrade their technology and improve their competitiveness.

Our diminished need for aid should also be used as an opportunity to resume ownership over our policy agendas. A move towards restoration of ownership coincides with the now universal recognition amongst donors that weak local ownership diminishes aid effectiveness and neutralises the impact of externally driven reforms. Such a resumption of ownership demands a credible effort within Bangladesh to develop our own vision, commitment and capacity to design as well as implement policy.

This demonstration of vision and commitments must largely originate from our political leadership. In this respect the capacity of the state to design policy has diminished as the machinery of state has lost confidence in its ability to design

policy. However, policy design and implementation is no longer the exclusive monopoly of the state. Civil society also needs to have its own vision and to demonstrate a commitment and capacity to realise this vision. In Bangladesh there is no shortage of professional resources to design and implement such a vision nor do we lack the skills to build a political consensus behind such agendas. The efforts of the caretaker government of President Shahabuddin Ahmad in 1991 to commission 255 of our best experts assembled in 29 Task Forces to advise the incoming elected government on policy options, demonstrated the worth of our local professionals. The Centre for Policy Dialogue again assembled over 150 of our most respected professionals at the time of the 2001 parliamentary elections to prepare policy briefs which could provide constructive inputs to the electoral debates. The incumbent Awami League and BNP governments have also drawn upon such indigenous skills to service a variety of National Commissions on policy reform. Such exercises have thrown up valuable policy advice but have not always been operationalised into legislation or policy. Nor has much effort been invested in building a broad political consensus behind the recommendations of these National Commissions. Thus, even where the government has moved to assume some ownership over policy design it has not made the best possible use of these initiatives.

In the light of experiences over the last 33 years of Bangladesh's history nationalism for the 21st century implies a capacity to think as well as act for ourselves. Such an autonomous process of policy thinking, thus, needs to be backed by policy commitment as well as the development of operational capacity to realise our own vision. We will, therefore, need to build supportive political constituencies to sustain such a process of national self-assertion. Acquiring these skills will not enable us to resist globalisation but will better equip us to participate in the process. Rhetorical protestations about national sovereignty emanating from political practitioners who have over two decades abdicated sovereignty over all aspects of development policy remains neither politically credible or operationally meaningful. At the end of the day we have to demonstrate to our development partners that resumption of policy ownership is more than a slogan. We will have to demonstrate a capacity to mobilise local resources, use local skills as well as enhance local productivity and above all improve governance if the concept of ownership is to graduate from rhetoric to reality.

Social Justice

The emergence of two societies

Our goals of democracy, secularism and nationalism will all remain unsustainable if we cannot establish a more equitable society permeated by a spirit of social justice. Whilst the constitutional commitment to socialism meant different things to different people, this goal was premised on the commitment to democratise economic opportunities for the deprived majority of the population. Bangladesh did not attain its independence through the goodwill of its masters but through protracted struggle, sustained by the sacrifices of common people. A democratic Bangladesh was thus, honour bound to build a social order which gave common people a stake in the development process.

Unlike many countries, including some in South Asia, at the time of our liberation Bangladesh did not inherit an elite class of feudal lords or a super-rich bourgeoisie. The emergence of extreme social and economic disparities which characterises Bangladesh today was a post-liberation phenomena driven by the externally driven policy agendas which guided our economic policy. Such policy advice did little to accelerate development or eliminate poverty but it did contribute to a process of social polarization which has invested Bangladesh with a new elite, many of whom have earned their wealth more by political access and patronage than by their entrepreneurial skills. A society which maldistributes the rewards of development to a rentier elite will promote neither growth nor equity. Such a social order lacks popular legitimacy and thus remains inherently unstable. Much of the social anarchy which is permeating Bangladesh today derives from the feeling in all segments of society that the fruits of independence have been unjustly distributed.

Bangladesh's unequal social structure is now perpetuating a process of undemocratic politics where the deprived majority have little chance of entering parliament and remain largely excluded from the tiers of local government. Politics is increasingly becoming a rich man's game played with the objective of enhancing private wealth rather than to serve a public purpose. A political system which effectively disenfranchises two-thirds of the population remains fundamentally unstable because it denies a political stake to those very classes who remain the ultimate defenders of democratic institutions. No usurper could hope to seize state power if they know that half-a-million working people would occupy the streets of Dhaka and Chittagong to protect democratic institutions in which they have a direct stake.

To build a more just society we need to make our development agenda more inclusive so as to widen the opportunities for the deprived to participate in the development process and the market as both producers and consumers. Such an agenda will serve to eradicate the moral crime of poverty and stimulate as well as sustain growth because it will widen the domestic market for indigenous producers. To provide a flavour of some of the issues which demand address in a more inclusive development agenda we present below a selective rather than comprehensive agenda for social reform:

Democratising human development

The emergence of two societies built around unequal access to education and health care needs to be arrested. It is not enough to spend more public money on primary education and health care if a small elite monopolises access to superior private education or health care facilities. A dualistic education system institutionalises disparities in lifetime opportunities for upward mobility. Such a system ensures that those privileged to receive an expensive private education will perpetuate themselves as a ruling class whilst those who depend on public education will always remain an underclass.

The main thrust in the democratisation of education should be carried forward through an exponential improvement in the quality of public education and health care from the primary to the tertiary level. Such a public initiative will need to ensure that disparities in the quality of public and private education are minimised. Such a democratisation of education will not only demand more expenditure on public provision of education but an upgradation of its governance which remains a much more scarce resource than money. The quest for better education will need to extend beyond the state and activate civil society to exercise their rights as parents and citizens to demand improved performance from the educational system.

In upgrading our education system we cannot afford to neglect university education. We must restore the opportunity for the children of poor families to at least have access to our public universities to enable them to compete for the best jobs on offer in society. Regretably Bangladesh's universities, once the cradle of our professional and political elite, have been infected by all the maladies which have plagued the polity. Universities have been politicised and factionalised at the level of both teachers and students. Student politics which once provided the vanguard of every democratic struggle in Bangladesh for the last half century is tending to degenerate into a mercenary activity used to serve private political and

commercial agendas rather than to serve a public purposes. It is not surprising that the quality of public university education in Bangladesh has deteriorated and parents who can afford to do so are either sending their children abroad or into the proliferating private universities. The crisis of our universities is thus part of our crisis of governance and unless this is rectified this educationally driven process of social disparity will be perpetuated into the future generation.

Upgrading technical skills

As the base of our public education expands and upgrades itself we should aim to provide institutional facilities to enable youth graduating out of rural schools who have limited opportunity to acquire marketable skills to broaden their employment horizons. The Bangladesh government may intervene to consciously promote upward mobility by setting up technical schools in every *upazilla*. These technical schools should be well-equipped, staffed with the best available professional skills and should calibrate their courses to the needs of both the global and local market. This system should widen and diversify economic opportunities for the poor, deprived by both class and gender, to enable them to benefit from the globalisation process.

Today in the age of the information revolution not every villager needs to send their offspring to Dhaka for a better education. Enhancement in the capacity of distance learning can provide village students with the same knowledge base available to students in Dhaka. But this will require a major investment in the telecommunications infrastructure which can take the IT revolution to the village. This will need to not only train teachers to use the resources of the information age but a transformation in the system of management and motivation of public education.

Upgrading health care

Bangladesh has registered some gains in health. Its immunisation programme has registered promising results. Its family planning programme has raised the contraceptive prevalence rate (CPR) from around 10% in the 1970s to over 50% today which has helped to halve our fertility rate in 20 years from 6.4 to 3.2. The absolute as well as relative share of public expenditure going to health care has also increased in the last decade. However all such gains stand to be neutralised by the degeneration in the quality of our curative health care due to its poor governance. It is this poor quality of care which is opening up major social disparities in access to health care.

As in the case of education, primary health care should, therefore, be provided at a level which is comparable to facilities on offer in the private sector. It is clear that the better-off sections of society have come to depend on private health care whilst the elite seek such care abroad in India, Thailand, Singapore and in the West. This means that public health care is exclusively used by those who cannot afford private care. However, the public system carries heavy private costs paid to functionaries within the public system. The public health system is poorly governed which encourages rent-seeking and perpetuates a system which is overloaded as well as poorly administered and maintained.

Bangladesh thus needs a system of quality care for the deprived which builds upon the comparative successes of the immunisation and family planning programme. Such a system needs to ensure the effective implementation of a new health care policy based on community participation, prioritisation of preventative care and improved governance of the system of curative care. This requires bigger investments in public health as well as effective management.

The test of the new system at the village level will be measured by whether the poor in rural Bangladesh are kept waiting long hours by the doctor, can expect to be treated with respect in the local primary health care centre, are not made to pay rents for realising health services and if admitted to a *upazilla* hospital should expect to sleep on clean sheets, eat decent food and use clean toilets.

A stake for the deprived

Human development is important in its own right because it enhances the capabilities of the deprived to both fulfil themselves and participate in the market. If opportunities for the poor are to be enhanced we would, however, need to move beyond enhancing their human development to enable them to realise the full benefits which could be derived from improved human capabilities. To this end we need to re-engineer our institutions to provide the deprived with a stake in the development of the economy. This involves taking the micro-credit revolution to its logical conclusion by ensuring that every person eligible for such credit has access to credit. This goal will demand not just the extension of lending by micro-credit institutions but that our commercial banks should also equip themselves to provide micro-credit to anyone who needs it. Micro-credit will thus need to be integrated into the formulation of monetary policy so that it can be served by the mainstream banking system. Redirection of the lending practises of our commercial banks should be backed by policy and institutional arrangements to relocate credit from large defaulters to the commercial banking system to the

more creditworthy micro-borrowers. Such a relocation of credit would be consistent with both market efficiency as well as the goals of national policy where credit to the deprived need not remain the exclusive concern of Grameen Bank or the NGOs. To redirect commercial bank credit to the deprived will, however, need more than a change in monetary policy and will have to address the crucial problem of misgovernance and weak regulation which has compromised the viability of our banking system.

Our financial system will also need to be reconstructed to mobilise the savings of the poor to finance investments both in the corporate sector and in corporatising the rural economy. Savings of these segments, mobilised by the micro-credit sector alone would be in the range of Tk. 15 billion. Part of these savings should be put to work, leveraged by commercial bank financing to be used to buy a corporate stake for the deprived in the modern production and export sector.

As the rural poor are integrated as stake holders, producers and consumers into the corporate sector, the rural economy needs to develop its own unique corporate bodies, designed to use local savings and attract outside capital. This will need corporate entities which link micro-producers using micro-credit with national and even global markets. This approach could both build corporate marketing entities for small producers as well as invest in value addition for primary producers.

Working people in the urban areas, particularly working women in the RMG sector, should also be given a stake in the enterprises where they work. A more just society would need to recognise the contribution of these rural women, drawn from deprived families, who through the value added by their labours, provide most of the net foreign exchange earnings accruing to Bangladesh's export sector. This recognition of the contribution of working women should be provided by accepting them as partners in the development process through giving them an equity stake in the factories where they work. This stake could be funded by bank loans in the same way that commercial banks finance share purchases by the elite of Bangladesh. Such a move to broaden the ownership of corporate wealth need not limit itself to the RMG sector but should be extended to other sectors of the economy. In a society where public credit is a critical factor in facilitating participation in the market the state exercises responsibility to use its own resources to widen the ownership of wealth so as to substantially democratise opportunities for access to the market.

In the final analysis the quest for justice in Bangladesh should aspire to gradually erase the dividing line between labour and capital. A sustainable democratic

system demands a cohesive social order which does not divide a society into haves and have nots. If we aspire to build a more inclusive society in Bangladesh we need to give every household a stake in the development of the economy whether it is through title to land or permanence of tenancy rights or as partners in corporate enterprises. The fruits of growth need to be shared and incentives provided not just to a small class of property owners but to all segments of society. Such a system of incentives will help to tap the creativity and work potential of a much broader segment of the population, will widen their income earning opportunities and graduate them from recipients of public largesse into full partners in the development process. Within a more just framework of development which integrates issues of asset ownership with market access, production growth and poverty eradication, equity and economic growth can be made part of a holistic agenda for both sustainable development and sustainable democracy.

External relations

In building a sustainable domestic order our leaders will have to also build a workable pattern of relations with our neighbours through the framework of SAARC. Both geography and history have linked Bangladesh's prosperity and security to the nature of its relations with its neighbours. Bangladesh's future agricultural development, depends in considerable measure on the enhancement of water resources inputs and in its capacity to cope with floods. This degree of water security can, in the long run, only be realised through cooperation with India and Nepal from where our principal rivers originate. The river-linking policy which is being discussed in India should be challenged developing a creative programme for sub-regional cooperation to jointly develop the water resources of the Himalayas.

Our energy needs will also demand an integrated solution which links the energy production capacity of Bangladesh with its immediate neighbours and even beyond to the energy resources of West and Central Asia through a shared distribution network. Furthermore, Bangladesh's transport system will need to be integrated not just with our South Asian neighbours but with South East Asia and China through the Asian Highway and Railway network. Bangladesh should aspire to use its unique location as the bridge between South, South East Asia and South West China, to position itself as the Singapore of the land routes in Asia. In order to enhance and develop Bangladesh's production potential we will need to have access to the wider South Asian market particularly to India, through the

mechanism of the *South Asian Free Trade Area* (SAFTA). At the same time we will have to equip ourselves to cope with the gradual integration of our economy into a South Asian economic community by diversifying our production and export capacity.

Conclusion

Building upon our assets

My address is designed to demonstrate that Bangladesh does indeed command the potential to build a sustainable development process and democratic order. In identifying possibilities for breaking out of the political impasse facing the country today my approach was to focus on the art of the possible. Thus in each area of discussion I have attempted to anchor the opportunities for change on assets or initiatives already in place to which some value addition was deemed possible. The prospects for the consolidation of democratic and secular politics derive from the objective reality of a two-party system located in a relatively homogenous society. Scope for a reassertion of nationalism derives from our visible strengths in export growth and domestic resource mobilisation which have contributed to the decline in aid dependence. The new opportunities offered by the globalisation process, are likely to sustain our export growth. The quest for social justice is grounded in the positive gains registered in micro-credit, widening of educational opportunities, the successes of the immunisation as well as the family planning programmes but above all in the resilience, industry and enterprise of the common people of Bangladesh. The visible production potential as well as credit worthiness of the deprived, the contribution of rural women to the dynamism of the RMG sector and the emergence of a number of globally recognised institutions targetting the deprived demonstrates both institutional commitment as well as capacity to mobilise these constituencies of the underprivileged.

In seeking to build our future upon our revealed capacities and experience we need to take account of the possibility that such gains can also be undone mostly on account of Bangladesh's dysfunctional political processes, persistent malgovernance and increasingly unjust social order. The prevailing political practises appear to emphasise private and party needs over the public interest. As a result, the machinery of state is becoming increasingly parochialised, anarchic and predatory. The progressive degeneration in the social commitment of the state has led to a configuration of social power which has elevated a small, affluent elite into positions of political influence which has empowered them to monopolise

resources and remain immune from both the laws of the land as well as of the market.

The dominance of the two party system in the Bangladesh polity insulates the two parties from electoral challenge so that their dysfunctional politics can perpetuate itself over successive regimes. At the same time the power of Bangladesh's new elite has enabled them to use their resources to consolidate their dominance of our electoral institutions at the expense of excluding the more resource-deprived segments of society. This incestuous link between power and wealth is compromising the representative character of the democratic system in Bangladesh. At the same time, women remain underrepresented in Parliament even though they are now better represented at the local level. Successive parliaments have thus remained increasingly alienated from their constituents, including the deprived as well as women.

A role for civil society

Can a more enlightened and pro-active civil society help to reconstruct our political parties and contribute to empowering the deprived to challenge the social dominance of the elite? Those with both power and resources at their command have the capacity to deter, often by not very democratic means, any challenge to their authority. This means that the costs of such a civic mobilisation remain high whilst the returns are far from assured. Much will depend here on the sense of outrage which will serve to raise the threshold of risk and pain willing to be borne by the citizens of Bangladesh. Whilst civic activism has increased in recent years it is far from clear that the sense of outrage has reached a point where issue-focussed activists are willing to expose themselves to a more intensive involvement in advocacy by joining a major political party and challenging the authority of its power brokers.

Some civil society activists have indeed evolved from social activists to party political activists. But such persons tended to be in a minority so that their social motivation tends to be eroded by compromises forced on them by the realities of party politics. Their experience discourages more such persons from entering politics when in fact politics needs a larger proportion of such social activists who can generate enough critical mass to influence the culture of party politics.

Under the circumstances feasible politics suggests a strategy of incremental mobilisation. This may begin with issues of urgent public concern where the capacity for resistance is relatively weaker. Civil society mobilisation around such issues as improving the quality of primary education and health care services or

cleaner urban neighbourhoods could yield high returns because no strong social forces are likely to strongly resist these agendas. In other areas such as protecting the environment against environmental pollution, encroachment of the Buriganga by private developers, or shrimp cultivators damaging the environment for paddy farmers, where private financial interests are involved, the stakes will be higher and the capacity for resistance stronger. Such mobilisations would need to be more willing to take risks and accept some pain.

If we move upscale to challenge toll collectors and hoodlums the risk quotient increases largely because the challenged parties are often equipped with arms and better integrated to the mainstream political parties so that they can use such arms with relative immunity from the law enforcement agencies. However, as and when citizens have rallied to protest against weak law enforcement the government of the day has had to demonstrate some willingness to enforce the law. Unfortunately, such citizen's coalitions disperse after an initial mobilisation thereby relaxing pressure on the government enabling the criminals to resurface after a short period of hibernation. However, such mobilisations demand political skills to build and sustain a non-partisan coalition, demonstrate high risk taking capacity and above all perseverance to see the fight through to the finish.

A politics of the feasible

The nature of the problems indicated above suggest that particularist coalitions of citizens focussing on specific issues need to be assembled around people willing to invest time and to effort to see the mobilisation through to its eventual conclusion. In each such coalition a smaller number of people would need to commit themselves on a full time basis to sustain such struggles. Do we have such dedicated citizens who feel so strongly about particular issues to take leave of their vocations, even if necessary, of their families, to embark on such a risk prone enterprise? Thus far, there is little evidence of such persons willing to commit themselves to the finish though a much larger constituency is likely to be available to support episodic mobilisations demanding small doses of effort and involving moderate risk. If civil society is to take itself seriously it will have to demonstrate a capacity to produce even a small number of such coalitions committed to see a particular mobilisation through to its final outcome.

Whilst issue-based mobilisations remain a feasible option political activism by civil society remains much more problematic. The time and risk involved is infinitely higher if one aspires to join a mainstream political party and engage oneself in an endeavour to upgrade the quality of the party. To be effective any

such effort would demand that enough people join a party to exercise some weight in the party. Those entering politics should appreciate that they are not entering politics in a vacuum but have to interact with political workers who have been in the field a long time whilst such civil society members were comfortably engaged in their profession. If politics is to be seen as the art of the possible we will, thus, have to recognise the coexistence of the good and the bad elements in the politics of Bangladesh with such qualities often co-existing in the same person. The real task of political reconstruction in Bangladesh is to see that the good more often prevails over the bad in influencing the course of politics. *Gresham's Law*, whereby bad people drive away good people from politics, may be at work in Bangladesh but its applicability originates in our abdication of responsibility and surrender of hope in the future.

Individual political enterprise will however not be enough. The point at issue is to impact on the culture of politics where entrenched forces at all levels remain strong, have a high political stake and material interests to defend. Here individuals who join political parties will need to draw upon the backing of a mobilised civil society who are willing to engage in the high risk task of influencing political action. These new political activists are needed to serve as a bridge between civil society and party politics where the concerns of the citizens can be brought to bear on the agenda and behavior of political activists. The problem with involving civil society in politics will, however, have to address the reality that civil society organisations of teachers, lawyers, doctors and engineers, themselves remain divided along the faultlines of Bangladesh's bipolar political system. As a result few people command the credentials to reach across the political divide and assemble a consensual coalition of citizens committed to a public cause rather than a partisan agenda. In such a context if civil society is to command sufficient authority in the polity political identities will periodically need to be subsumed in the service of a bigger cause and will need to build their own issue-based consensus in the same way that politicians are expected to do so.

Building coalitions for a just society

Whilst improving the quality of politics is important the more vital task remains to democratise politics as well as access to resources in a milieu where strong vested interests with much to lose occupy positions of power and influence at all levels. To challenge these forces in national or even local government elections is costly as well as fraught with risk. In contrast, assembling coalitions of the deprived, many of whom remain captive to vertical patron-client relations with the powerful, is time consuming and hazardous to the deprived who may lose

what crumbs are on offer by their patrons for demonstrating the temerity to challenge the existing social order. Thus, the agenda for hope for building a more just society needs to reach out to a much broader constituency built up through empowering the deprived, including women, who must be politically mobilised to struggle for their rights. In this task civil society can be the ally of the deprived but it cannot be their proxy. This coalition from civil society should also seek to broaden its base. It should reach out to draw in the productive elements of society such as the entrepreneurs who do not default on their loans, our competitive exporters, our productive farmers, our hardworking garment workers, our creative professionals, even those members of the administration who would prefer to serve the people honestly. There are also large numbers of political workers, whether in the dominant parties or from the electorally marginalized forces who would remain the natural allies of such coalitions within civil society. All these varied forces within civil society as well as politics have a shared interest in coming together to build a just society which rewards effort, expands opportunity and challenges the injustice and malgovernance which are eroding hope in Bangladesh today. To bring together such a coalition for change will provide the real challenge for building a just society.