

PPRC NEWSLETTER

TURNING POINTS

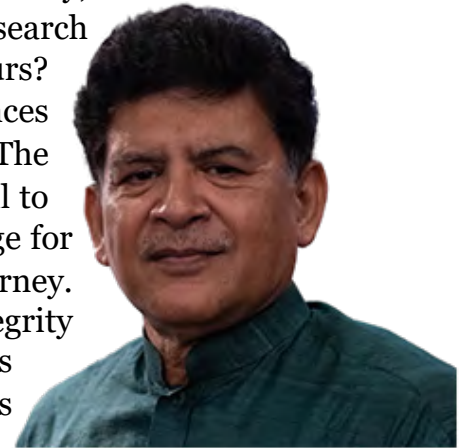


POWER AND PARTICIPATION RESEARCH CENTRE

Independent Policy Centre, Bangladesh

MESSAGE FROM THE CHAIRMAN

“Twenty-seven months after the pandemic onset, the crisis mode refuses to go away. The beginning of 2022 saw inflation emerging as a significant new challenge upending the fraught budgets of poor and middle-class families. The outbreak of the Ukraine conflict cast a whole new level of crisis in the global economy. June arguably is witnessing a new wave of the infection. The need and challenge for evidence-based policy-making have never been more acute. Within all these upheavals, Bangladesh marked its fifty-year milestone, a moment for celebration, for self-reflection, and for renewing the foundational aspirations of a just, equitable, and prosperous society. This 8th issue of the PPRC Newsletter highlights the theme of Turning Points focused on the long view of things. What have been the contours of change in the economy, society, and culture in the fifty-year journey of the nation? Has research risen to the challenge of adequately unpacking these changing contours? PPRC, too marks its own milestone of twenty-five years. Experiences have been gained. Modest achievements too, have been there. The institutional adventure of unscripted research journeys and the will to be relevant have shaped the journey so far. There is now a new urge for institutional consolidation, a sort of PPRC 2.0. to shape the next journey. However, some threads are continuous – a commitment to the integrity of the research process, the quest for relevance, and the willingness to explore new questions and new methodologies. As always, it is always all-hands-on-deck.



Hossain Zillur Rahman

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INSTITUTIONAL NEWS

PPRC 2.0

NEW MEMBERS



SANZIDA AKTER

Sanzida Akter joined the PPRC as a Senior Research Associate. She pursued a Master's degree in International and Development Economics at the Australian National University. Her areas of interest include Digital finance, financial inclusion, and Gender and Development.



SHABBIR AHMED

Shabbir Ahmed joined PPRC as a Research Assistant. He has completed his bachelor's and master's degree in Development Studies from Khulna University. He is quite keen to understand poverty from a climate change perspective.



FATEMA AKTER

Fatema Akter Tanbi started as a Research Assistant at PPRC. She graduated from Bangladesh University of Professionals with a bachelor's degree in Environmental Science. She is a research enthusiast who further aspires to expand her knowledge and analytical abilities in environmental policy and governance concerns.

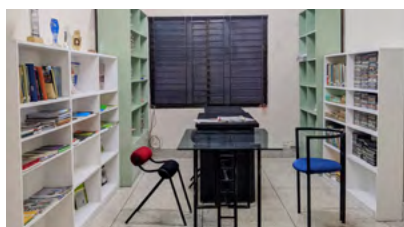
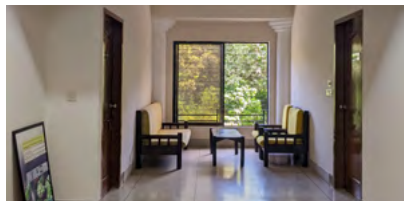


ISLAM AL FAID

Islam Al Faid joined PPRC as Research Intern. He studies Health Economics at the Institute of Health Economics, University of Dhaka. He has strong interest in health care, data analysis, visualization, and policy-making. He intend to enhance his experience in the healthcare industry.

PPRC MOVED TO A NEW OFFICE!

PPRC has moved to its new office at House 20 (2nd Floor), Road 11 (old 32), Dhanmondi R/A, Dhaka 12. The office also features a training center, conference room, and reference library, apart from the vast workspace. With the emergence of PPRC 2.0, it aims to provide research and data visualization training.



PPRC Timeline Launch



PPRC TIMELINE

The PPRC timeline features the dynamic journey of PPRC starting from 1989 till date. It reflects the institutional growth, research activism, and the impact of PPRC in the field of research over the years.



Project News

PPRC-BIGD RAPID RESPONSE COVID-19 PANEL RESEARCH INITIATIVE



PHASE

3

1

Poverty Dynamics & Household Realities

The study examined shifting poverty patterns and vulnerabilities and Covid-19's influence on low-income communities' health and economy. The survey concluded that 72% of vulnerable non-poor (VNP) had fallen below the poverty threshold, making them the new poor. 50% of VNP were new poor, 59% in urban slums, and 44% in rural regions. According to the report, the new poor comprised 21.2% of the national population in June 2020 and 14.8% by 2021.

2

Impact of Covid-19 on Education Life of Children

19% of primary school students and 25% of secondary school students were in danger of learning loss owing to covid, revealed the study. Less than 10% of students had access to or utilized remote learning possibilities to compensate for school closure through both public and private channels, as shown by the survey. The psychological costs of the pandemic were assessed, disclosing elevated stress levels among children.

PHASE

4

1

Trends in Learning Loss, Digital Inclusion, Mental Health and Child Labour

Children's education life and the learning crisis triggered by the pandemic were assessed to analyze the trend of learning loss, digital inclusion in remote learning techniques, the mental health of elementary and secondary students, and the indirect consequences of the pandemic, such as the high incidence of child labor. As part of educational recovery, the findings suggested the urgency of addressing the twin problems of learning loss and poor mental health.

2

Trends in Covid Impact on Livelihood, Coping and Recovery

The study analyzed trends in income, employment, food security, migration, and poverty to gain an insight into the dire situation of the poor and the vulnerable. It suggested a reversal in the recovery trend due to lockdowns, revealing a drop in income by 18% and 15% in slums and villages, respectively, in March 2021. More than 67% of people, mostly poorer people with lower education levels, were found to have trouble finding a job.

PHASE

5

Inflation, Coping, and Recovery Challenges

The study highlighted the detrimental effects of inflationary pressures on the real income, food security, and necessary household expenditures of low-income households in Bangladesh, which considerably hampered the economic recovery from the COVID-19 shock. After the second lockdown, per capita daily incomes soared by 27% between August 2021 and January 2022 but started reversing by 6% between January and May 2022 owing to inflation, disrupting the anticipated recovery of real incomes to that of pre-pandemic levels. The need for social protection to be reformed to align with the challenges stands crucial, suggested the study.



Rapid Gender Assessment of Road Safety

Funded by The World Bank

PPRC, with the support of the World Bank, has carried out a Rapid Gender Assessment for the proposed Bangladesh Road Safety Project. The PPRC study is a qualitative study based on in-depth consultation with a wide range of stakeholders, including groups of female road and transport users. Findings from the survey were shared through a policy webinar in December 2021 titled "Towards a Gender-Sensitive Road Safety Agenda".

Urban Governance

Funded by UNICEF

PPRC, in collaboration with Unicef, conducted a study on the "Governance of Urban Services for Women and Children". Findings from the study contributed to a background paper for the 8th Five Year Plan of the Government of Bangladesh. The study addressed the critical challenge facing a rapidly urbanizing Bangladesh of transforming the cities into drivers of equitable economic opportunities and quality living. This is especially challenging for women and children who face endemic structural and social inequities in their access to urban services as well as in their routine social and economic existence.

AT A GLANCE

Celebrating 'Women's Day'!

The PPRC family commemorated International Women's Day 2022 with the hope that every woman is recognized and accorded the respect and representation they deserve, not only today or in their jobs solely but in all sectors of life. In the presence of Dr. Zillur Rahman,



the celebration was followed by a brief structural discussion on women's challenges, empowerment, and the contemporary perspective of the society towards women.

UNFPA visits PPRC



On 12 January 2022, Dr. Eiko Narita, Representative a.i., UNFPA Bangladesh; Mr. Mahboob E Alam, Chief, PPR, UNFPA; Khondker Zakiur Rahman, Technical Officer, PPR, UNFPA paid a visit to the PPRC Office.

PPRC Knowledge Management and Skill-building Initiative (PKSI)



Dr Hossain Zillur Rahman, Executive Chairman, PPRC, and Dr Md Abdul Wazed, Senior Fellow, PPRC, discussed the initiative with Mr. Rezaul Karim. Mr. Rezaul Karim is an

independent consultant - DRR-CCA & Organization Development who has 30 years of experience in the private development sector, training, and facilitation at home and abroad.

Brainstorming Sessions



LAUNCHING OF

আজকের Agenda



On October 24, 2020, the first session of 'Ajker Agenda' series, a series of policy discussions chaired by Dr Hossain Zillur Rahman, was launched. With its launch, PPRC seeks to delve deeply into the shifts in policy innovations, overall socioeconomic transformation, mindset, and the turning points of Bangladesh. It aims to promote policy discourse beyond formal policy circles.

It is an interactive series where guests and the host engage with audience members throughout the sessions. Only a limited number of participants can join the Zoom session directly by registering, while all the sessions are streamed live on Facebook for the audience to engage in the policy discourse.

TURNING POINTS

Bangladesh has made incredible strides in terms of its economy, society, and culture over the past 50+ years since gaining independence. Despite the outstanding progress, setbacks and scopes for improvement persist. The discussion aims to go beyond formal policy discourses focusing on the development indicators, the role of economists, and the turning points in the economy & society and integrate voices from policymakers, academicians, government officials, students, and grassroots actors.



“In our 50-year journey, the rise in agricultural production was a turning point for the Bangladesh economy. The farmers are the driver of the economy and we need a specific plan for their development.”

- Dr M A Sattar Mandal



“In order to do well in the business sector, we have to identify incentives and see if we can manipulate those incentives by means of public policy to improve regulatory compliance and enforcement”

- Dr Akhtar Mahmood

“One-third of our youths is neither in employment and education nor in training. So, quality is critical. Quality cannot be delivered by the individual businessman or the individual NGO on a large scale. This has to come from the state.”

- Dr Hossain Zillur Rahman

“Everyone in civil society is running towards personal wealth but in the mad rush, the middle class has lost its identity.”

- Dr Adnan Morshed

“GDP calculation is comparable to an airplane's black box; there is no other simple indicator for international comparisons, which is why economists use this metric.”

- Dr Wahiduddin Mahmud

“The anxiety of the middle classes drives their life strategies. Being empirical is essential to understand the dynamics of the anxiety-driven precarious class.”

- Dr Hossain Zillur Rahman

“As economists in this day and age, we have divided into many groups and think along different lines, and we are no longer sure that we are correct because rigorous analysis has remained incomplete.”

- Dr M M Akash



EPISODE 6

How Rural is Rural Bangladesh?

The rural economy in Bangladesh has shifted to a higher gear. Still, a severe knowledge gap on this hindering the agriculture sector's becoming a significant growth driver, observed the economists and researchers. They found substantial knowledge gaps on rural issues, including the shift in rural areas and agriculture potentials due to lack of updated data and research deficiency. It's required to re-evaluate the rural sector's role as a source of future economic growth, and it appears that the moment has come. Dr Zillur Rahman thinks it's happening at the field level but not at the policy level yet. Studies indicate the rate of migration from rural areas has also decreased as job opportunities have been created. Dr M A Sattar Mandal believes many families in the village are now emerging as middle-class families, yet not still being able to ensure education for their children. Dr Sanzida Akhter said the women's contribution is increasing in farming though they do not have their proper recognition and dignity.

EPISODE 1

Do Economists Make Sense? A Different Take on the Indicators of Development

The first discussion centered on the effectiveness of the development indicators as measurement tools. Economic indicators, such as GDP growth, are essential for evaluating a nation's economic development. According to the discussants, however, economists and policymakers should abandon their obsession with GDP values and focus on metrics people can visualize and relate to their lives. It was recommended that, rather than putting an inordinate degree of emphasis on GDP and other terms such as the poverty rate, one approach would be to focus on other indicators such as the types of housing people live in, the quality of drinking water, the availability of electricity, and the use of mobile phones which the citizens can understand and relate to their lives. The approaches may include the behavior of citizens in public spaces. However, the proposed metrics are not a substitute for economic study.

EPISODE 2

Politics of Development Indicators

The second discussion highlighted the importance of the development indicators to be inclusive in the second discussion. According to the experts, development and well-being cannot be realized based solely on indicators, as tokenism and fake statistics may be at play. The necessity of inclusive development indicators was focused. Dr. Hossain Zillur Rahman said the 'Bureaucracy' focuses more on the process of the indicators – such as funds and spending – than on an outcome like wellbeing. He further emphasized the necessity for innovation to gauge people's development and advocated reversing the flow of information from the undeveloped countries to the West in order to generate knowledge. Adnan Morshed, a professor at the Catholic University of the USA, said measures like GDP don't reflect holistic development and people's well-being. He called for interdisciplinary debates about the prioritizing of the development index.

POWER AND PARTICIPATION RESEARCH CENTRE
VIRTUAL SERIES

আজকের Agenda

EPISODE 5

Turning Points in Society:

Where have the middle class gone?

According to the Bangladesh Bureau of Statistics (BBS), Bangladesh's population is over 160 million. There are 40 million people in the middle class, accounting for 25% of the total population. Turning the pages of history, their roles in intellectualism, socio-cultural activities, political leadership, and as the vanguard of political change are irrefutable. Despite the surge in the country's middle-class population, their engagement in political leadership, intellectualism, and socio-cultural activities has waned, believes Professor Wahiduddin Mahmud. He further stated that the culture of rising to the affluent class with the help of politics of patronage and favoritism is alarming. Dr Mandal identified agrotechnology as one of the primary drivers of the rural class, which is giving rise to a new middle class comprised of agro-entrepreneurs with enough technical skills. While the initial discussion centered on the identity and roles of the middle class, it gradually evolved to provide diverse interpretations of the title.

EPISODE 4

Turning Points of the Economy

The journey of five decades has been very multidimensional with a great deal of success. Agriculture and the private sector, according to Dr. Hossain Zillur Rahman, are the two most crucial chapters in the tale of Bangladesh's complicated transformation. According to the discussants, Bangladesh's economic progress during the past 50 years has been attributable to massive changes in the agriculture sector, microfinance, robust remittance inflows, and the rise of an autonomous entrepreneurial class. Although Bangladesh's economy has advanced significantly over the last five decades, the economists stressed the growth in inequality, which is a formidable obstacle to its acceleration. Moreover, Binayak Sen, Research Director at BIDS, expressed uncertainty as to whether the country will be able to sustain the seven to eight percent growth pace it has had in recent years. The experts further provided insights into female labor participation, transportation, privatization of agriculture, rural transport, and internal migration.

EPISODE 3

What is the Social Role of Economists?

Crony capitalism has raised concerns over the restriction of the scope of economists. Notable economist, Professor Rehman Sobhan, Chairman of Centre for Policy Dialogue (CPD), further added that it had waned the demand for economists in policymaking activities. In contrast, many economists have chosen sides in this regard. The experts expressed the gradually dwindling involvement of economists in the policymaking process and that it would affect achieving sustainable development of the country. Amid lower political demand for sound economic analysis, the role of economists was stated to have grown more complex, resulting in under-representation of the majority of people. In addition to their responsibilities in their professional and academic fields, it was emphasized that there is a pressing need to investigate the factors that contribute to the risk-averse behavior of economists in the social agenda.

EVENTS

COVID Impact and Social Protection Challenges

PPRC organized a Regional Policy Webinar on “COVID Impact and Social Protection Challenges: Urban and the New Poor” on June 24, 2021. The webinar drew on the multi-round PPRC-BIGD Covid Impact Study as well as PPRC policy papers on urban social protection priorities and response to Covid-19. As panelists, it hosted Dr. Shamsul Alam, Ugo Gentilini, Qazi Azmat Isa, Usha Mishra, and Asif Saleh.

PPRC’s publication, ‘Livelihoods, Coping, and Recovery During Covid-19 Crisis’, combined findings from phases I and II of the PPRC-BIGD rapid response research. It was launched during the PPRC Regional Policy Webinar on Covid Impact and Social Protection Challenges for Urban and the New Poor.

Dr Rahman further attended and presented at a consultation on Social Protection organized by the General Economics Division (GED) of the Bangladesh Planning Commission in collaboration with UNICEF Bangladesh in September 2021.

Healthy Bangladesh

In the wake of the Covid-19 pandemic, the PPRC-led civic platform to bring the multidimensional health agenda to national attention, Healthy Bangladesh, discussed the immediate action plan required to combat its second wave. A ‘5-point Action Agenda’ addressed the concerns over hospital services, accountability, lockdown, and civic responsibilities. The Agenda proposed curtailing the impact of the pandemic wave by integrating the essential measures.

5-Point Action Agenda

1. Time for a New Message
2. ‘Smart’ Lockdown
3. Accountability
4. Urgent Expansion of COVID Hospital Services
5. Civic Responsibility

HEALTHY
BANGLADESH

50 years of WASH in Bangladesh

To celebrate the 50 years of development, the webinar looked into the achievements and challenges of Bangladesh’s water, sanitation, and hygiene sector across the decades. Starting from a chronological overview of this critical but neglected sector, the discussion focused on the journey of the pivotal events and initiatives that have shaped Bangladesh’s WASH landscape. Hossain Zillur Rahman delivered his concluding remarks at the event.

50 Years of Bangladesh: Retrospect & Prospect (CPD 50 years)



The Centre for Policy Dialogue (CPD) celebrated the golden jubilee of the independence of Bangladesh by organizing a virtual international conference to explore the country’s developments in different

sectors—politics, economy, society, and culture. Dr Hossain Zillur Rahman, Executive Chairman, PPRC, presented the challenges of Bangladesh, underscoring the democratization of the ‘Middle Income’ dream. He accentuated the drivers of change, transformational achievements, and turning points of the economy over the 50-year journey.

Urban Labor Intensive Public Works Programme

supported by the World Bank

On 9 June 2022, PPRC scheduled a field visit to the Narayanganj City Corporation (NCC) as part of the World Bank-funded Urban Labor Intensive Public Works Programme (ULIPWP). The objectives of the visit included validating the survey instruments prepared by the PPRC research and field team, meeting with the mayor of the NCC, briefing the overall objectives of the project and gaining insight and direction regarding the ULIPW study, meeting with the respective individuals, and discussing the final fieldwork plan.

Urban Sustainability through Good Population Density Approach

“Urban Sustainability through Good Population Density Approach”, a policy dialogue under the “Strengthening Capacity of the General Economics Division (GED) to Integrate Population and Development Issues into Plans and Policies” project, was held on 17 November at NEC Conference Room, Planning Commission Campus, Sher-e-Bangla Nagar, Dhaka. The Policy Dialogue was conducted by the General Economics Division (GED) of the Bangladesh Planning Commission in collaboration with UNFPA Bangladesh. As Chief Guest, Dr. Shamsul Alam, Honorable Minister of State, Ministry of Planning, Government of the People’s Republic of Bangladesh, was present, while Dr. Md. Kawser Ahmed, Member, GED, Bangladesh Planning Commission, was present as a Special Guest.

The keynote speakers, Dr. Hossain Zillur Rahman and Dr. Adnan Morshed underlined the urgency of taking a systematic approach to sustainable urbanization. Dr. Hossain Zillur Rahman emphasized the significance of four pillars i.e., livability, economic vibrancy, social vibrancy, and climate efficiency, to promote sustainable urbanization.



World Bank Webinars



JUNE 2, 2020
Implications of COVID-19 in South Asia

Implication of COVID-19 in South Asia

Dr. Hossain Zillur Rahman joined experts from India, Pakistan, and Sri Lanka to speak on the ‘Implications of COVID-19 in South Asia’, a live chat organized by the World Bank on June 02, 2020. The event discussed the prospects for regional cooperation to expedite recovery and combat the widespread effects of the pandemic on health, trade, remittance, and finance.

Beyond Now: Protecting People through Innovation and Good Policy in the COVID Era

In “Beyond Now: Protecting People through Innovation and Good Policy in the COVID Era”, Dr Rahman joined government leaders, NGO partners, and innovators to deliver a series of stimulating talks. Drawing on their unique experiences, they showcased examples of policy actions and both public and private sector-led responses—across education, health, food security, digital connectivity, and social protection.



JUNE 11, 2020
Beyond Now: Protecting People through Innovation and Good Policy in the COVID Era

Multi-stakeholder Consultation Workshop



On June 4th, PPRC (Power and Participation Research Center) hosted a multi-stakeholder consultation workshop with mayors, councilors, and their representatives from 3 city corporations and 6 municipalities, as well as representatives from the World Bank, LGED, and LGD, to discuss a competent scheme, and to propose a guideline to combat post-covid urban social protection. The workshop’s objectives were introducing the ULIPW scenario, reflecting the project’s scope, including policy buy-in, determining the outcome indicators while focusing on the outcome areas, and challenging the social protection policy-making leveraging the experience.



THE CHALLENGE OF DEMOCRATISING THE 'MIDDLE INCOME' DREAM



- Dr Hossain Zillur Rahman

Fifty years ago, the dominant concern of citizens and observers alike was about the economic future of newly independent Bangladesh. Five decades later, a poverty-stricken, disaster-prone vulnerable economy has confounded observers at home and abroad alike by scripting a remarkable story of economic transformation and resilience. The achievements came neither overnight nor by the efforts of any single quarter. But the change has been real, and the country today has legitimately embraced a higher-level aspiration of middle-income status within the coming decade. Progress in economic development, however, has not been mirrored in progress in political development.

*“After independence, **politics** seemed the lesser challenge. In a twist of irony, today it is deficits in political development that are gnawing at the foundational dream of an inclusive, humane society”*

After independence, politics seemed the lesser challenge. In a twist of irony, today it is deficits in political development that are gnawing at the foundational dream of an inclusive, humane society. Representational rights have been fatally weakened as have been the institutions of accountability across the board. Such political decay is fuelling unaccountable power, rampant cronyism and systemic corruption.

But first, a look back. The by-now commonplace statistics of Bangladesh's social and economic success do not do justice to the quality and depth of Bangladesh's transformation thus far. Five system-defining achievements stand out.

The first has to do with how the country has re-defined

its relationship with disaster. A country defined by its eco-vulnerability and hence its entrenched status as a disaster victim has gone on to win global recognition and respect as a disaster manager. Food security too has been a transformative achievement—tripling of food production in a shrinking cropping area even as

population more than doubled. A largely illiterate peasantry embraced the promise of technology while heavy-handed bureaucratic oversight incrementally retreated to allow for the dynamism of the market process to come into play.

The third transformational achievement has been in banishing the curse

of remoteness and transforming a largely rural country of isolated villages into a connected national economy integrated to the global economy, with both entrepreneurs and workers transforming the “abroad” into key economic destinations. The emergence of women as social and economic actors too has been a transformational achievement, although deeper empowerment battles remain. Female gains in primary and secondary education, access to birth control measures, access to microcredit, and changes in social attitudes looking positively on women's economic participation have made such a wide-ranging transformation possible. The achievement on fertility decline too has been transformational. My own research shows that between 1980 and 2010, one-third

*“Between 1980 and 2010, **one-third** of the rise in per capita income was due to the fertility decline.”*

of the rise in per capita income was due to the fertility decline.

Neither conventional economic narratives of growth nor self-promoting narratives of political regimes provide a full explanation of what drove these system-defining transformations. The least-examined driver of change has been the lasting impact of independence on the psyche of the common citizen. An eco-vulnerable and impoverished population steeped in fatalism and espousing a dependent mind-set underwent something of a personality revolution, more assertive, pro-active towards opportunities, clearer on life goals. Fatalism was replaced by aspirations. This fundamental attitudinal shift saw an illiterate peasantry embrace the promise of technology, saw rural youth exploring the opportunities of the global labour market, saw poor women responding to the call of economic participation, and saw former employees daring to become new entrepreneurs. Any explanation of Bangladesh's transformation to date is significantly deficient without acknowledging this aspirational revolution at the level of individuals.

A second driver of change has been a grass-root culture of solution-centric innovations. “Nation-building” after independence did not remain a narrow elite pre-occupation but spilled over into the popular domain. This is the period when NGOs got born in Bangladesh, but the quest for innovations was not limited to the NGO sector alone but eventually graduated to a multi-sectoral pre-occupation. Micro-credit, feeder roads, drug policy, social forestry, conditional cash transfers, new crop varieties, use of solar—the series of innovations have been both consequential and continuous.

Politics too was a critical driver of change, not politics as such but contested politics at both local and national levels. It is true that such contestations were mired in a degree of violence and governance shortfalls but nevertheless ensured a degree of political renewal, which arguably has been the primary source of accountability in a system where formal accountability processes are yet to prove their worth. It was really the return of contested politics in the 1990s that served as the backdrop to the process of growth acceleration that began in that decade.

The Bangladesh transformation was also aided by

two lesser-known drivers of change. While the state has a large institutional presence, mainly a legacy of colonial rule, the coming of independence has not translated into system-wide strengths of accountable governance and policy and implementation leadership. Within such a deficient politico-institutional milieu, Bangladesh has been surprisingly successful in driving policy reforms in certain critical sectoral areas that went on to have larger system-wide impacts. The drug policy of 1980s, banking reforms of 1990s, telecommunications and digital reforms of 1990s and 2010s, and conditional cash transfers driving early MDG successes in health and education all have been marked by a process of policy entrepreneurship—the opportunistic coming together of a “contingent coalition” of policy entrepreneurs, social entrepreneurs and political entrepreneurs around clearly-focused, specific policy goals. Bangladesh also benefitted from a reality-grounded development discourse that served to spur action on key developmental challenges such as extreme poverty, social protection and agricultural modernisation.

As the chapter on the first fifty years of Bangladesh closes and the sun rises on 2022 and beyond, looking back now has to give way to looking forward. But for a nation-state born through a bloody struggle on an emancipatory dream of economic prosperity and social equality, “looking forward” cannot just be a new iteration of a growth narrative—be it of experts or of unaccountable ruling groups—but rather a collective act of dreaming on what matters most with equality of agency all across society. Politics and economics are thus coming together to pose a new challenge for Bangladesh. However, understanding the nature of this challenge is easier said than done.

Analysts and academics have had to cross the traditional disciplinary boundaries to grapple with such complexities. A critical insight emerging from such cross-disciplinary analysis is that it is less the form of government and more the degree and quality of politics and governance—i.e. legitimacy, opportunities for contestations, rationalisation of authority, state capacity, robust spaces for public discourse, minimising system disruptions around transitions in power—that distinguish politically developed societies from politically decaying ones. Clearly, politics and development are closely intertwined processes that have no easy or predictable answers on cause and effect. Experience shows that there are both well-performing and poorly-performing democracies just as there are well-performing and poorly-performing authoritarian states. The issue is not regime type per se,

nor a normative set of “good governance” indicators, but rather the constellation of system and process features that generate a “political governance” capable of nurturing inclusive and sustainable economic and social outcomes.

Within its fifty-year journey, two decades stand out as constituting something of “turning points” in terms of the development trajectory of Bangladesh. An understanding of these “turning point” decades is critical to assess how the interface of politics and economics is likely to shape development outcomes in the coming decades. The first of these was the 1990s. Four outstanding system features crystallised and witnessed a dynamic interplay to mark this decade a “turning point”—a broad-based ideological embrace of the market economy and competitive capitalism, contested politics, a strong current of policy entrepreneurship, and the flowering of a dynamic social sector focused on grass-root transformation. The constellation of these system features laid the foundations for growth acceleration, rapid realisation

shackling Bangladesh significantly below its economic potential.

Bangladesh’s fifty-year journey is thus truly Dickensian in its complexity. The transformation certainly has been deep and real. But the future increasingly looks less inclusive and uncertain on the challenges of quality completion of the middle-income transition. The fate of other once-promising countries—South Africa, Brazil, Malaysia, Philippines—stands as a stark warning on falling into the so-called middle-income trap.

While the private sector remains pivotal for the next phase of Bangladesh’s developmental journey, increasingly the internal dynamics of the “private sector” holds the answer to how effective this role is going to be. Earlier, we had the state-aided private sector and the self-driven private sector. There is now a new reality. Proximity to power has become as important if not more important than proving one’s competitive prowess in the marketplace—and not just proximity to power but actual positions in the high-table of power,

*“The inclusive nature of development outcomes has witnessed **three** distinct reversals—worsening income inequality, a growing spatial inequality with a Dhaka-versus-the rest reality holding increasing sway, and a deepening employment crisis with nearly one-third of youth currently being neither in employment nor in education nor in training.”*

of MDGs as well as incentivising a shift from “brain drain” to “brain gain”.

The 2010s, however, have witnessed a contrasting type of “turning point”. While the growth momentum has continued and a more upward aspiration of “middle income” country has been embraced, the decade has seen a reversal in certain critical system features. The inclusive nature of development outcomes has witnessed three distinct reversals—worsening income inequality, a growing spatial inequality with a Dhaka-versus-the rest reality holding increasing sway, and a deepening employment crisis with nearly one-third of youth currently being neither in employment nor in education nor in training. The poverty reduction elasticity of growth has slowed. Competitive capitalism has given way to crony capitalism. Progress in school enrolment has not translated into quality learning. Significant segments of the middle class are struggling to establish sustainable economic foundations for themselves and their families. Even as women have emerged as critical change agents, gender-based violence has become rampant, exacerbated by a seeming culture of impunity. Institutionalised corruption abetted by poor governance norms is

both formal and informal. Apex trade bodies appear less focused on representing the systemic priorities of the private sector and more on being mere privilege-seeking support groups for ruling power blocs. Conflict-of-interest situations have become rampant. Lucrative sectors of the economy appear to have fallen under oligopolistic or rentier control. A worrying trend has been the disregard of state capacity for apparent benefits of unclear “private sector” interests. Is this a new “turning point”?

A narrowly elitist framing of the “middle income” aspiration is neither in keeping with the deeper goals of Bangladeshi society with its foundational insistence on inclusion and dignity, nor is the elitist discourse particularly useful for the very growth objectives it loudly espouses. A look at Bangladesh’s performance on the global competitiveness index brings out critical weaknesses on the very indicators on which the accelerated realisation of the “middle income” aspiration rests—institutions, logistics, skills, labour market efficiency, technological readiness and rule of law. It is not as if each of these weaknesses is not recognised. Policies abound. Projects abound. But credible reforms and progress flounder at the gate



FREEDOM MADE US ASPIRATIONAL, NOW TIME TO REAP HIGH-HANGING FRUITS



- Dr Hossain Zillur Rahman

As an economist, I have always marvelled at a little commented-upon feature of our 50-year journey. Our political journey has been steeped in blood and upheavals but our economic journey has been remarkably stable. Bangladesh has not witnessed a single year of negative growth except for the war-devastated year of 1972. The growth trajectory too has been remarkably stable, incremental in the first two decades and accelerating somewhat from the 1990s.

“Bangladesh has not witnessed a single year of negative growth except for the war-devastated year of 1972.”

The political ups and downs did not, it seems, translate into ups and downs in the growth trajectory. The developmental transformation of Bangladesh has been more an initiative-driven story than a policy-driven one. Policies certainly had a role, but it was more of a supportive role, not the leading role. That is the key story of 50 years of Bangladesh.

The initiative-driven transformation was not a linear journey. There were many sub-stories, many drivers. From the outset, Bangladesh could not afford to just focus on growth. A disaster-prone, poverty-prone nation like ours had to constantly look both ways – behind and front. Why looking back? Because if another disaster hits, then we are undone. Or, if there is constant worry for food security, how can we concentrate on growth.

So, we had to think about food security, create what I have called a “growth cushion” – a safety boundary for the pursuit of growth – while exploring, innovating and labouring to open growth windows. That is why the word which is most evocative of our achievements over these five decades is “resilience”. Refusing to give up. Always looking for new opportunities. Innovating on the go. From being known around the world as a disaster victim, we have won justified recognition as a disaster manager. And resilience is not just about confronting natural disasters but also about confronting economic disasters. In the 1970 cyclone in Bhola, the death toll was 3 lakh. Twenty years later in the “flood of the century” in 1998, the death toll was 1,100.

Individuals, communities and the state – at all three levels, effective knowledge of managing disasters and their aftermath had been learned. Fast forward six years. In 2004 when the multi-fibre agreement guaranteeing quota benefits was phased out, many predicted the collapse of the garment sector. Instead, entrepreneurs dramatically rose to the challenges of a competitive market-place, transforming Bangladesh into a key player in the global apparel industry.

How did we become an initiative-driven society? The explanation essentially has to be looked for in our becoming an independent country. 1971 and independence had an enormous impact on the national psyche, triggering a deep transformation of the mind-set – a citizenry steeped in fatalism became aspirational. Even the poorest person no longer accepted poverty as



destiny.

It is remarkable when we go into slums as economic researchers and ask the women about their families' aspirations, invariably a key emphasis would be on the education of their children. Farmers – always toiling in the shadow of disasters – no longer are content with a one-crop agriculture, pursuing two or three crops from the same land and embracing the opportunities of mechanisation. Women, used to the boundary of



the home, saw an economic opportunity in micro-credit and embraced it wholesale. The young girl in the village dared to venture into a new future in the factory line of the emerging garment industry.

Rural women make up most of our female migrant workers. Can you imagine a woman from a conservative rural area daring to go to an unknown foreign country to earn money? These are all the expressions of the aspirational minds-set which made initiatives and innovations the key drivers of our developmental journey. Bangladesh has seen three waves of connectivity innovations. The first was the LGED

feeder roads pioneered by Quamrul Islam Siddique, chief engineer of the department, in late 1980s and 1990s which connected villages to towns and banished the curse of remoteness from significant areas of the country. Isolated villages became integrated into the national economy.

The second connectivity wave was triggered by mobile telephony from the late 1990s onward. Mobiles are now a near universal-phenomenon, powering social as well as economic interactions from the micro to the macro.

The third connectivity wave is the more recent digital connectivity. This is yet to reach its full potential but important windows have opened though disparity in access is a big concern.

Social sector achievements too have come through initiatives and innovations. Oral rehydration therapy

***Four groups** of drivers stand out in the story of our transformation. Farmers and agricultural scientists. Women. Private sector – not just the big players but also the smaller ones who brought into being the rural non-farm sector.*

laid the foundations for bringing down child mortality. GO-NGO partnership created a momentum in immunisation and bringing children into schooling. Primary and secondary stipend programmes innovated in the 1990s saw Bangladesh achieving MDG targets of enrolment in general and girl enrolment in particular ahead of many comparable countries. Innovative social campaign on sanitation has largely done away with the blight of open defecation, a problem that regional neighbours are struggling with.

Four groups of drivers stand out in the story of our transformation. Farmers and agricultural scientists. Women. Private sector – not just the big players but also the smaller ones who brought into being the rural non-farm sector. And also innovation-minded and innovation-supporting state actors who provided the policy boost at critical junctures.

Looking back, we can be justly proud for having created firm foundations of a resilient economy. But going forward, will this suffice to meet our enhanced aspirations of a middle income country?

The preceding decade has seen a significant worsening of inequality. Yesterday's pride in school enrolment indicators is having to contend with the realisation that schooling is not translating into adequate learning. Quality divide in education has become the new driver of inequality. Even as nearly a third of our

"The challenge for Bangladesh today is to graduate from being a 'cheap labour economy' to a 'skilled labour economy'"

youth are neither in education nor in employment or training, a significant proportion of mid-to-higher level employment in the leading apparel sector is being held by skilled workers from other countries. Lack of confidence in health care is driving a large segment of the solvent population to seek health care abroad.

One feature of our economic success so far has been that we have successfully utilised the advantages of being a



"cheap labour economy". This is what has driven the RMG sector. This is what has driven the remittance sector. But after 50 years, we have unmistakably arrived at a fork in our development journey. The challenge for Bangladesh today is to graduate from being a "cheap labour economy" to a "skilled labour economy".

It is not as if this realisation is lacking among policymakers or within society at large. But realisation or talking about it is one thing, successfully transiting from a "cheap labour economy" to a "skilled labour economy" is another matter altogether. No amount of policy seminars or development rhetoric will take us to our destination unless we can address the critical issues of institutional reforms. In a cheap labour or low-cost economy, the initiative driven mindset was

perhaps enough. But when we talk about a skilled labour economy, the issue of quality, particularly in the creation of human capital, arises. Achieving quality is critically dependent on governance, both institutional governance and political governance. The statistics on the quality of our education provide a stark reminder that the prevailing governance scenario is failing to address the challenges of achieving quality.

That's why the nature of the state has also become an important issue. The rise of VIP culture is antithetical to our foundational dream. The dream of 1971 was not only about GDP, it was also about the type of society which ensured the respect for the average citizen unlike in colonial society. Women have been central to our transformation but today gender-based violence has reared its ugly head due to a rampant culture of impunity.

So, when we look at our journey of 50 years after independence, we have to fix the indicators on which we would base our analysis to assess our progress. One set of indicators is about the economic structure, another set of indicators is the type of dreams that we set in 1971, the type of society that we wanted to build. The society which would not only be an egalitarian society, but would also secure the dignity of the average citizen. We must remain engaged on both sets of indicators.

UPCOMING PROJECTS



- **Improving the Role of Urban Local Governments In Labor-Intensive Public Works**

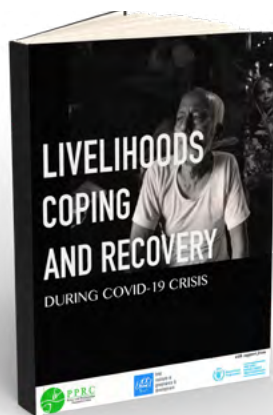
Funded by World Bank Bangladesh

- **Accelerated Realization of 3 ICPD Agendas**

Funded by UNFPA

PUBLICATIONS

Livelihoods, Coping and Recovery

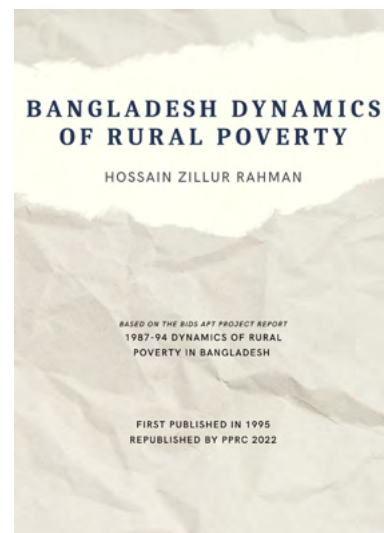


Power and Participation Research Centre (PPRC) and BRAC Institute of Governance and Development (BIGD) jointly conducted a rapid response telephone survey on the immediate impact of COVID-19 on the livelihoods and crisis coping mechanisms of the economically vulnerable population of Bangladesh. Apart from evaluating the effects of covid on income, poverty, and food security- the study sheds light on the realities of coping and social protection.

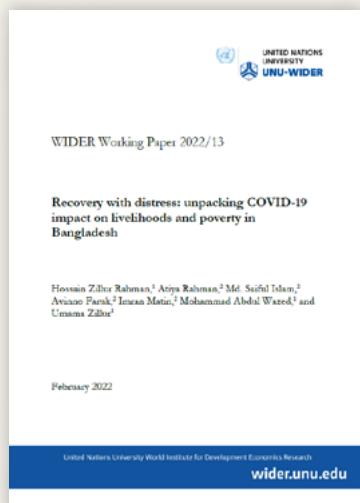
WASH Post-Budget Policy Brief



Bangladesh Dynamics of Rural Poverty

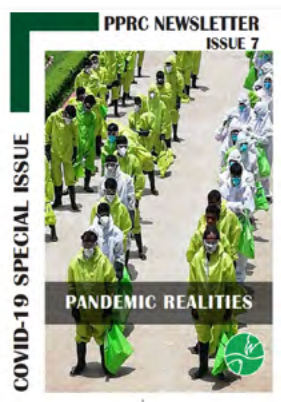


Recovery with Distress: Unpacking COVID-19 impact on livelihoods and poverty in Bangladesh



The Power and Participation Research Centre and BRAC Institute for Governance and Development's four-round panel survey during 2020–21 provide unique insights into how COVID-19 impacted specific categories of the poor and vulnerable in Bangladesh, their coping strategies, and the extent to which policy support materialized. The insights from the four-round panel survey conducted by Power and Participation Research Centre and Brac have been published as a working paper by The United Nations University World Institute for Development Economics Research (UNU WIDER).

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