

Bangladesh at 50: Economic Development: From “Basket Case” to Emerging Economy

Transcript Begins —

Chelsea Ferrell: Panel number two is ‘Economic Development: From “Basket Case” to Emerging Economy,’ and the moderator at this panel is Dr. Lincoln Chen. Hi! Dr. Chen is the president emeritus of China Medical Board, a Rockefeller endowed American foundation. Dr. Chen I would like to turn it over to you.

Lincoln Chen: Thank you, Chelsea and welcome. I am not sure whether everybody is on, you know just Marty and I were in Bangladesh at independence and we’ve been back ever since on a regular basis and of course we saw in Bangladesh what it’s called the ‘Basket case’ and also described as overpopulated and poor with no hope for the future. Indeed, we witnessed the 1975 famine when the Brahmaputra river flooded particularly the northern parts of Bangladesh, led to a lot of hunger and death but obviously, the country has pushed on to become an “emerging lower middle-income country.”

So, the questions that we are going to focus on with this panel are: has Bangladesh had an economic success? And if it is so, why and how? And then, what are the prospects for the future? And I think we should keep in mind the last panel was Professor Rehman Sobhan and Rounaq Jahan, who spoke quite a bit about the social justice dimensions of the economic developments in Bangladesh. But I am going to offer some brief introduction of the panelists and their full CVs are available online on the website.

The first speaker will be Faisal Ahmed, who’s a senior economist at the IMF, and he had been a senior advisor to the Governor of the Bangladesh Central Bank. The second would be Hussain Zillur Rahman, who is the founding Chair of the Power and Participation Research Centre in Bangladesh. He’s also the Chair of Brac, Bangladesh. The third would be Sajida Amin, who’s a senior associate at the Population Council. She’s undertaken studies of demography, economics and sociology, especially related to gender and work opportunities. And finally, we have Mushfiq Mubarak Ahmed who’s a development economist, a professor at Yale whose work has been involved in studying the importance of behavior and technology, and especially poverty reduction.

We have all together 70 minutes. We are going to have an open round of questions where the panelists have agreed that each would take four minutes and I have my iphone here that has a little ringer when the four minutes are up. So, I’ll just remind people that the four minutes are up and I’ve been asked to note that this is like personal academic conversation. So, no one is speaking on behalf of their institutions to which they are affiliated, with that let me invite Faisal to start.

Faisal Ahmed: Good morning, good evening. It’s an honor to be on this panel, thanks to the Mittal Institute for arranging this. As a child of the 1970’s, let me recall the freedom fighters of 1971 who gave their lives so that we can live ours with dignity and freedom, for me as a macroeconomist, Bangladesh’s story is a bottom–up story. It’s a story of consistent and cumulative progress over the last five decades that came from close collaboration between people, government, public sector, NGOs and development partners. Most hearteningly, it’s a story powered by women and has been empowering for women.

So, in 1971, Bangladesh was the most densely populated as Lincoln mentioned and the second poorest country in the world, the poorest was Burkina Faso but that had a population of five million and there was perennial fear of famine, flood and food shortages. Bangladesh's economic progress came despite and I would argue precisely because of those extreme initial conditions, which gave Bangladesh the focus, the discipline and the curiosity, at least during the first three decades.

So, looking back in addition to the hard work by the people and very supportive policies of the government over the decades, three macro factors in my view drove Bangladesh's economic success. Independence in 1971, our extreme initial conditions and like many positive economic stories, a dosage of lack and right timing in terms of being part of two globalization, one in the 1970s to late 1980s and then other one from 1990s until the global financial crisis. And in my view, we are also very lucky that we didn't have any commodity resources or we were not at any geo-political flashpoints. During the first 20 years, during 1970s and 90s through 80s, the first wave of globalization sowed the seeds of manpower, remittance and garments export.

The fear of famine created a focus on food security, agriculture and population control. Extreme poverty and sufferings invited low cost solutions in health, education and famine, thanks to the pioneers of our social innovations, we remember them with honor. The inspirational of 1971 and the desperation of 1970s and 80s gave birth to innovation, and the pioneers of social innovations themselves were the product of 1971 and I should mention the economic progress and the demographic transition and the fertility through the late 1980s allowed improvement in human development indicators, laying the foundation for a broader take off that came in 1990s onwards when remittance, garments, then agriculture and I should last mention domestic market integration they both reinforced and amplified each other reducing poverty. If we look at the last 30 years and if we think of the relative roles the big factors have played, remittance has probably played the biggest role in terms of simple arithmetic of the amount to external demand and then came garments. Remittance, garments and agriculture, they all touched many lives.

Now where are we now after 50 years at our silver jubilee, we have, Bangladesh has fed its people, in my view it's the most bottom-up among the larger economies and sort of manufacturing-led take off. Low value added, yes, low cost and labour intensive, but it has created jobs. But I should mention that as we look ahead, the growth drivers that has supported the first 40 years has been shifting. Since 2012, remittance, garments export, remittance have been moderating reason, becoming a smaller driver of growth. So, there is a shift in the drivers of growth that we need to be mindful, and this is where Professor Shobhan's emphasis on governance becomes extremely important. And looking ahead, as we celebrate the silver Jubilee, let me part with the quote of Professor Amartya Sen that I really love about Bangladesh's success, he said Bangladesh's laudable success comes from the fact that it has avoided the twin dangers of inertia and smugness, the future will demand more from this nation. Thank you very much.

Lincoln Chen: Thank you very much, Faisal for staying within time. You gave a very good landscape. Please, Zillur.

Hossain Zillur Rahman: Thank you. I want to start by saying that where we are now, it's being celebrated around the world and within the country that from a Basket Case emerging economy and more future ahead. But first point I want to make is that this was not planned out. I think the story of Bangladesh is more an initiative driven story rather than a policy driven story. I think that's a foundational feature of Bangladesh's journey that we need to keep in mind and how did this come about? I think Faisal has touched on it, I am sure Professor Sobhan also touched on it. 1971 has been seen in many ways and many aspects but it had a lasting impact in triggering what I call a personality revolution in the country. Our people used to be fatalistic, they became aspirational overtime and Bangladesh's journey, this basket case to an emerging economy, it was actually driven by this aspiration, innovations and of course policy also played a role, but the initiative-driven part of it is a very foundational feature.

I want to extract four lesser-known stories within this transformation journey. First one is about, Bangladesh was defined as a victim of disasters, and I think the wonderful transformation is that the disaster victim has become the disaster manager and there are two sort of disasters to refer to, 1970-Bhola cyclone, 300,000 deaths; 1998, the flood of the century, deaths restricted 1,070 and that too mainly from snake bites and drowning. So, this disaster victim to disaster manager was a wonderful sort of transition. The second cause, and this is not really being commented upon by many, that our first connectivity revolution were the rural feeder roads, which connected the villages and towns and really transformed a rural-urban divide into a rural-urban continuum that created the condition for a domestic economy. The rural non-farm sector is a very important part of Bangladesh's economy.

The third one, of course, is woman's agency being unleashed. This wasn't unleashed just by an announcement. I think there were two fundamental descriptions of how this agency was unleashed. One was that I think Sajeda referred it to it somewhat. The reproductive burden at birth was about 6.3 children per woman, it was reduced to 2.3, and this essentially feed women and transformed them into economic aspirants. It is a fantastic thing that women have gone into garments, women have embraced the micro-credit revolution, and women have gone abroad, they are in bulk of the migrants.

So, this was third feature and the fourth is also a not very commented upon. If you look at our literacy rate, it's still below 60 percent but an illiterate peasantry has embraced the potentials of technology. The transformation, the mechanization of agriculture is one of the lesser-told stories of Bangladesh. So, this has really been an fantastic transformation and Bangladesh's transformation rests on three pillars I would say and that's a slightly different take on the journey.

One is, of course, the growth drivers, remittance, garments etc. but equally important one is the domestic economy, the non-tradable sectors, these trade services, construction, rural non-farm. They have been, in fact, I calculated the last decade, 61 percent of incremental growth came from this sector and, of course, the third one was the protecting the rear, meaning that Bangladesh really excelled in ensuring food security and also a safety network well. And I think, under two working consensus, national consensus worked to try and bring us to this stage. One was famine prevention, I guess Lincoln got the date wrong, it wasn't in 1975 it was in 1974 actually, the famine, and that really triggered the type of response in society that we can never allow famines to happen again in Bangladesh and we have

actually never allowed famines to whatever have been the disasters. And the other one, which is also very important one is that a sort of the change agents have been pluralistic, market state, private sector, NGOs, social sector, government. So, these two working consensus really underpinned, but now we are at a stage where we are looking ahead and I think one of the way of the thinking that we have to change is that now when you think about Bangladesh, it should not be about where have we come from but where do we want to go because we are still caught in that mindset of basket case to emerging economy. But I think we now need to now look ahead and there certain questions have emerged and I just allude to two potential risks, but as I said, its risks but Bangladesh, where we will end up remains open. But I think the human capital agenda remains a very critical agenda and that remains, for me, the biggest challenge as Bangladesh enters a new decade and there the issue is not only investment. Professor Sobhan mentioned about governance. I see the governance issue is not just about political governance, it's about the critical variable about human capital and how we resolve that, and that is I think a critical issue. I will end there.

Lincoln Chen: Thank you. So, you've got a list here from victim to manager, gender, rural-urban continuum and the whole question of moving forward with human capital. Well, let's move on to Sajeda.

Sajeda Amin: Thank you Lincoln and a hard act to follow Faisal and Zillur bhai but because they have covered a lot of what I would have said. So, to pick up on Faisal, I think in terms of thinking about the last 50 years, it is useful to think of the separate periods, distinct periods, Faisal mentioned two pre and post the millennial. I would put a finer point to it recalling Sir Abed, I remember he would talk about the agenda for Brac in terms of 80s was the decade of health and 90s is going to be the decade of education I am baiting myself by talking about when this conversation took place in the 80's when I first met Sir Abed. And I think, going back even before then, both Zillur and Faisal mentioned the importance of recovery, the importance of policies that were never again polices, and I think part of that was emphasis on population control and whatever the motivations were, I think it resulted in very healthy program of family planning after much introspection and reform. And then, but the critical period was the 90s, in terms of shifting of focus on education and all through this, the important dimension to note is the centrality of thinking about inclusion of women, not thinking about women as a footnote to the whole issue of development but being central to the issue of development. So, it's ironic that when we have this discussion we still want some gender parity in terms of representation but really, we are talking about how to keep women at the centre in a context where women don't have that pride of place that in terms of patriarchal value structure that we want to reform and promote.

So, I think I want to now turn and talk briefly about the trajectory that has happened since the 2000s, which others have not yet mentioned which is the whole idea of demographic dividend, that we are reaping the benefits of the investments in population, family planning in health, we've had, women's life expectancy since the 70s has improved nearly by 25 years, that's phenomenal by any standard. Women live three years longer than men, women on average can expect to live till 73, men live around 70. So, that basically is an indicator of profound investments in public health in particular, not so much in the rest of the health sector perhaps. And also, there is gender parity in education.

So, these are two factors that have led to, eventually with a slight lag, greater inclusion of women in the economy, which in terms of demographic dividend story is identified as the critical element of Asian miracle and how economies that invested in education, economies that invested in human capital were fastest to grow to take advantage of this demographic dividend idea. We are at a juncture where we now at the most favorable level of dependency ratios and that's because the child dependency ratio is continuing to decline but the old age dependency ratios are rising. So, we have to think differently about social protection issues, about intergenerational transfers to move forward. I'll end there.

Lincoln Chen: Thank you, Sajeda. But let me turn now to Mushfiq and then when Mushfiq is finished, I'd like to invite all the panelists to add another one minute if they want to on the comments of the other panelists so that you can speak to each other as well as to the audience, thank you. Mushfiq.

Ahmed Mushfiq Mobarak: Thanks very much, Lincoln for hosting us and Harvard for organizing and the other Panelists. And a lot has been said, I agree with all the comments that Faisal bhai, Zillur bhai, Sajeda appa just shared with us. Since I teach maybe the best I can do is leave a narrative that will touch on a lot of the themes that have already come up to help the audience see the picture of how this happened sequentially. And in the end, maybe I'll just add one more factor that hasn't been highlighted as much as I think it should.

So, to weave that narrative, let's dig in a celebratory mood of why is it that we are doing well. You know, it was a basket case and this has been a good week and the United Nations just recommended that Bangladesh be graduated out of LDC status. So, something we should be celebrating. So now, if you look at why this happened, the proximate causes are two types exports and, of course, readymade garments sector, which account for over 80 percent of our exports, obviously a big part of our story. And the other big export that we have are other important resource human beings and by that I mean remittance, which has always been a large share of our GDP and foreign exchange earnings.

So now why we have been so successful in these two particular sectors? I think one important factor as Sajeda appa highlighted is female labour force participation is very, very high. And this is something that explains our success relative to our neighbors India and Pakistan, which started out as much richer countries, you'll see big differences in female labour force participation, alright. So, what's nice is that people talk about the fact that Bangladesh has competitive advantage in terms of low wages. Yes, if you can make use of productive use of half of your population when other countries can't and that half of the population has relatively few outside options, then of course that's going to give us a competitive edge. And, but you also need productivity, you need the workforce to be productive and where does that come from? It comes from the fact that there have been great investments in human capital. So, for example, female enrollment has been high, that has set gender parity in education, was set as a goal by the world for 2015 as part of the millennium development goal and Bangladesh achieved that 20 years in advance of that deadline. By mid 1990s, primary school enrollment of girls started exceeding that of boys, and it's a goal that many other developing countries are still struggling with. And so that's one aspect of human capital and I should say that I don't want to argue that's the best of cause right, that's also a consequence. When parents see that there's many factory jobs, manufacturing jobs available, they themselves become more likely to put their daughters in school because now if your daughter has

numerous literacy skills, they can actually turn that into economic returns because there are jobs available that reward their skills.

And the second thing is that we have plucked a lot of low-hanging fruits much better than our neighbors and other developing countries. So, like for example, vaccination rates are very high. So very simple reason for our female morbidity, infant mortality etc., we have done really well in taking away. And why did that happen? I am just trying to go back in time to trying to understand where the productivity comes from, why did that happen? It's that the government also always played a role but many other factors did as well, NGOs, for example. NGOs like Brac but many, many others, hundreds of others working in many different corners of the country, they also did well and the government's big achievement here was allowing NGOs to operate with minimal interference. And this is something I work in multiple countries, I run projects of often by government and NGOs and I say that in Bangladesh it's much easier to get work done more quickly, efficiently without a lot of interference. Whereas, I go and run the exact same project in Indonesia, it's not possible for us to even have a conversation somewhere in a locality without having central government approval for every step. So, it allows you to be a lot more nimble. So, those are important parts of the story that others have highlighted, so let me just add one more going back to some comments Faisal bhai had made earlier, which is about agricultural productivity. And I think technology adoption, the green revolution did a lot for us, as it did for rest of South Asia. So when I was growing up in the 80s, I remember on Bangladesh television there were lots of talk shows where we discussed challenges, like experts coming in the talk show and talking about food insecurity, we are struggling to feed the 100 million people, the population is projected increase to 150 million, how on earth will we feed all these people, right. And it's true, the population has increased to 150 or more, but food insecurity has not been a concern and one important reason it hasn't been a concern is that agriculture productivity doubled or in some areas tripled, where we figured out how to, using varieties of new seeds, we figured how to take the same part of land and have two or three crop cycles. And that's a story again of technology adoption. So, there were new technologies, the fact that they were invented was important but the fact that they were defused through the country was also very important. And all of these social factors that we have been discussing allowed us to disseminate and diffuse the technology quickly, relatively quickly and I think that was also important. So, we are all celebrating here, which is fantastic but it's also the case that just because we're telling these positive stories there are some important challenges that remain and I hope for the rest of the panel will be able to turn to those because we need to look forward and stay on this trajectory and identify the right problems to solve.

Lincoln Chen: Thank you Mushfiq and let me just now invite Faisal, Zillur, Sajeda and Mushfiq, if you want to add one minute comment on any of the other speakers. Faisal, you all set ?

Faisal Ahmed: Yep. Let me just highlight a point that I touched last time. For the last eight to ten years, the growth drivers in Bangladesh is shifting if you look at the numbers, export to GDP, remittance to GDP, agriculture productivity has been softening. So, if you look at the decade in the 2000 to 2010 or 2012 versus now, it's much slower now. So that's something, the growth number it's shifting, meaning a lot of these growth numbers are driven by domestic demand and that I think needs to be part of the broader macro conversation. On the topic that Sajeda appa, Mushfiq and Hossain bhai mentioned, I

think on health and education we have done well, but if we look at India spends 50 percent more on health and education than us, Vietnam three times more. So, at this stage we are in now, there is significant ramp up, that's where the fiscal revenue will come from. When you had the highest growth rate in the world, we had the lowest tax to GDP ratio in the world. So, we are in a sort of a cross-current as we celebrate the graduation from LDC, it is going to be very challenging uphill.

Lincoln Chen : Zillur?

Hossain Zillur Rahman: I want to touch again on the issue of human capital and education. I think we have done well and everyone has recognized that we have done the investment and all that but if I take the 50 year sort of perspective, education used to be the driver of social mobility in Bangladesh. Today, quality divide in education is the key driver of inequality, that's a sort of type of transformation which we need to factor in. So, when we talk about our educational attainment I think it's now important to unpack between primary, secondary and tertiary, particularly in the secondary education, the key workforce fails. There the quality issue is very, very critical and even the public investment there is a great question mark, quality and equality issue is just not an investment issue. I feel that education as a whole, I have a sense that we may be focusing too much on the earlier decades in terms of where we are in terms of turning the human capital agenda. We really need to take a hard look at what are the new challenges and the challenges are not to be solved by the way we did the, you know getting the children into school. World bank has come up with the idea that schooling is not equivalent to learning and you can have schooling of 12 years but learning of five- six years. And I think Abed bhai, who played a role on focusing on educational access at the beginning of his career, really later on began to focus on the issue of quality, which is a critical one and I think going ahead, this is what will determine whether we do break out of the so-called middle-income track.

Lincoln Chen : Thank you, please Sajeda.

Sajeda Amin : Yeah, so the one thing that we haven't really mentioned and it's going to loom large in the horizon is urbanization. We are going to be 50 percent urban but we still talk and think about Bangladesh as essentially a rural economy because our identity, our present identity, is essentially that. And I think we need to think not as a divided world, rural and urban Bangladesh, but what are the connectivities there? I think a lot of issues around remittance, around maintaining a rural base is fundamental to our Bangladeshi value system that we need to embrace and celebrate but we also need to think about this very quickly because not just Dhaka but the entire country is urbanizing at an extremely rapid rate and nothing we talked about whether it is education or health actually fully takes into account what happens in Urban areas.

Lincoln Chen : Thank you, please Mushfiq.

Ahmed Mushfiq Mobarak : Yes, I am glad Sajeda appa mentioned this because we are segwaying into thinking about some of the new challenges, like urbanization is going to be one. Let me just make an observation around what the four of us did. We all did not discuss this in advance, we talked about what the drivers of growth were and a little bit of worrying thing is that we all came up with the exact same things, right. We just heard the same things over and over and why that worries me is that maybe that

means lack of diversification. If we can all identify just one or two or three factors as underlying drivers then lack of diversification is maybe a challenge that we need to grapple with. If all of us talk about remittances and migrants and garments, that's actually something to worry about.

Lincoln Chen: Okay. Well, it seems like all of you have started turning the leaf to the next question, which I will ask you to give two minutes to, which is: what are the prospects for the future and especially the questions of sustainability with social justice in the economic portfolios as it unfolds. Please proceed, Faisal, two minutes, okay?

Faisal Ahmed: I think there is good momentum. A couple of things have happened, there is a certain industrial base, there is an industrial class, farmers and the economies are much more connected and I also feel that Bangladesh has a unique advantage, which I like to call the density dividend. Basically the proximity of people that has helped social innovation, market integration, diffusion of ideas, quite unique, in many ways, building on Sajeda appa, I feel like Bangladesh is growing from the largest village in the world in 1970s to sort of the largest city in the world. Messy but that was my impression after going back working there for sometime. So, I think that challenge is going to be how do we move, how do we diversify and also the technology used. Because technology is shifting this low-value added garments manufacturing. I think there is a big paradigm, so that's something we will need to focus on. I think if we want to leverage domestic demand to grow, Bangladesh will need to vengeance, it's not going to be like South East Asia that has happened in the previous decades.

So those two things, or many of this education investment, we can't do any of those unless we significantly ramp up our capacity of the state, revenue of the state, efficiency and quality of the expenditure. So, I think there is a good example of large infrastructure investment that we have done in last ten years but we need to know how efficiently we are doing in power sectors, there is a large increase in capacity but 50 percent of this is remaining sort of unutilized. So, this sort of large infrastructure and also how do we improve the quality of expenditure, that will determine the quality of health, education all the public services. We have entered the phase of public quality public services, without that middle income transition is very difficult. I think we have success to be confident but what we need is a lot more openness and humility, thank you.

Lincoln Chen: Thank you, Zillur?

Hossain Zillur Rahman: Well, I think the most important resource of Bangladesh in the next phase two will be its innovative spirit and its aspirational citizenry. I mean I'm particularly not too concerned about which types of sector might come forth, we didn't know about government really coming forth as a key driver, it did come, people took out the opportunity. So, I see two areas where we need to really focus, one, again I come to human capital issue because there's this statistics which is 30 percent of the youth which are not in employment, education or training. So, you have on the one hand issue about the MBJ attainments but the SDJ educational goals are of a different order actually. So unless we get the human capital agenda right and Sajeda mentioned the demographic dividend window and that's just another decade actually. And critical there, is the governance issue and here I think I will connect this to my final

point, which that what has underpinned Bangladesh's journey so far was a working consensus across the society of pluralistic sort of initiatives space, markets, private sectors, governments, NGOs, social actors who worked as they find opportunities.

In the last decade, there has been a transformation in that reality. For example, I would say that certain key sectors of the economy seem to have now set with entry barriers and you have a sort of problem about the competitive opportunities being curtailed. I think we really need to focus on that and also the social space, nevertheless, as I said, Bangladesh's future is going to be determined by three factors: one is innovations, one is aspirations and the third is economic governance.

The first two remain abundant in supply, the second one is evolving over time and if I see the five decades, two of these five decades as the turning points. The 90s were when we really began to take off in multiple indicators but the last decade in a certain way the growth elasticity of poverty has gone down and as I said the human capital agenda is in a certain reality and we seem to have stagnity on the tax GDP ratio context, even private investment has been stagnating. So, we have to really get these two out, in that sense the challenge as you go forward that in the last five decades initiatives really brought us this far but in the next two decades, initiatives and governance have to work even more closer together if you are to reap the benefits and I think that Bangladesh people are ready to make the next change in their journey, thank you .

Lincoln Chen: Thank you, Please Sajeda?

Sajeda Amin: One is on the question of human capital, I completely agree that we need skills, we need some way of marrying skills with technology but we really haven't cracked the code on how to skill. I think some of the old models of skills trainings in specific sectors have clearly been shown not to work. What has been shown to work in limited ways is the whole question of soft skills, particularly with regard to women and women's success in economic terms. The other that's a much bigger headache for me and I think it should be for Bangladesh and we have not mentioned it at all is kind of the negative driver of the climate change, particularly from the coastal belt, the component of migration that is not so positively driven by thinking of a better future but only in the sense of being pushed off the land. And I think unless we crack that code of how you address climate adaptation and how you address transformative adaptation, we are really not going to sustain this growth trajectory that we are celebrating today.

Lincoln Chen: Thank you, Mushfiq?

Ahmed Mushfiq Mobarak: Yeah, and again I'll have to draw on a lot of things that have been mentioned but to think about the challenges and how to address them. So, the one big challenge and I'll use the same words as the other panelists have used like diversification, innovation, governance, urbanization etc. So first challenge is that this year has made it very, very clear to us that diversification is important because some shocks are aggregate shocks, like there's a global pandemic that can actually wipe out an entire industry, right. It's not just about wiping out a particular factory, it's like there can be destructions, let's say you rely on one particular thing it can get wiped out. Just as an example, like if this pandemic happens to be, if the virus happens to be a little bit more contagious, right, it would have

stopped all types of cross border movements, and if you rely on migrants and just remittances, that's a big shock. It would have as happened early in March 2020, it could lead to huge disruptions in the flow of particular goods like textiles and readymade garments because that's not the first thing that is in people's mind that I am going to buy clothes.

So, that means diversification is going to be really important and this year underlines why. So how do you diversify? You do need to move in a new sector that means innovation, the word that Zillur bhai used, is really important. But here I want to warn my fellow citizens that you cannot innovate well if people don't have freedom of expression, those two things go hand in hand. People need to have freedom to think about new ideas, to actualize new ideas. And if you want to expand the new frontier and if you want to create a new product, a new market, people need to feel safe that their ideas will be protected, that their thoughts will be protected so they can express them freely, the intellectual property, their physical property will be protected, they need that safety. And so, our country also needs to resist these authoritarian temptations that have mired other countries in traps. If we really are going to take the next step, and this a point not just about Bangladesh but even a country as impressive as China, if you want to start expanding the frontier, commentators on China say that you need to move to a different type of intellectual regime that allows people to express themselves. And competition also matters for innovation and if competition matters and you need to allow people to compete in market place of ideas that means having a free media that questions policies. These are extremely important and these are some of the worries I have about the country that we are increasingly seeing pushing towards silencing and that's not, even if you just care about economic growth that is not the right strategy. I'll stop there.

Lincoln Chen : Okay. I'm going to pose three questions from the audience to the panel and please feel free to choose any one or two or three of them in your quick responses of hopefully some one minute. The first relates to the female garment workers, which is the importance of their rights and wages and how can they be protected because they are obviously at risk.

The second relates to the farmers, can government and social institutions better support growing family-based small scale farming efforts? And the third relates to the human capital, which is what does the governing class need to do in order to fire up the imagination of younger people in the country to stay and return from higher studies abroad?

Ahmed Mushfiq Mobarak : I can talk a little bit about the returning from higher studies abroad.

Lincoln Chen: Your one minute has not returned yet. Thus far.

Ahmed Mushfiq Mobarak : Yes, exactly. So, this relates to the comments I was making about innovation. So, any country that's trying to be successful, especially if it's trying to move the frontier, has to both retain talent or attract talent. This is also true for countries like the United States, like it's even though it has built up some of the finest institutions in the world, it's not that the education system within the United States where I now live, is producing all the talent. We still rely on global talent and the ability to rely on that global talent.

So how do you retain talent, this goes back to the comment that Sajeda appa made earlier. It's about I think it's about urbanization, you need to make a place livable. So that requires infrastructure investment, that requires what I was talking about freedom to allow people to earn return off of their ideas and off of their innovations and if people don't feel comfortable that I will earn an economic return, there's no policy that can force people to stay back and that wouldn't be the right policy anyway.

Lincoln Chen: Okay, please anyone else who wants to tackle one of these three questions? Zillur?

Hossain Zillur Rahman: I'll just on two of them, the agriculture and the garment workers. On the garment workers, that is not a bigger issue, I mean their rights are not limited to the right wages in the factory, they are urban citizens and therefore as urban citizens they have rights to appropriate healthcare and appropriate educational opportunities. And this a problem what Sajeda and others have mentioned that with regard to the urban-poor we haven't really, which is a very growing large category of people, we are looking at them only as economic actors but as urban citizens who also need health and education facilities and rights, that is a big hole actually. And here, I think that's another transition we have to make. If we look at the type of progress we made on social sector, health and education, these came about through what I call campaign type of approach. We haven't really done well on system building approach, we have got the children into school but we couldn't improve teaching environment. We got child mortality down but hospital care is actually in a very bad state, and out of pocket expenses cross 70 percent of the total healthcare expense.

So, in the future, this is going to be a big issue and with regard to garments I think we touch other urban poor also. We need a very great rethink about the health and education infrastructure, which is also accessible to the poor. Regarding agriculture, I'll make a quick comment about the small farmers. There have been the drivers of whatever transformation Bangladesh has done but I think from a policy mindset, even from an academic mindset, Bangladesh has looked at agriculture not as a growth driver but as a security on the issue of food security, that's a guarantee of food security. So, the type of public investment which are necessary to transform agriculture also into a growth driver is a new agenda and I think we need to push it, both the government certainly, but the academic world also needs to really reimagine agriculture not as the backward sector of yesterday but as a potential growth driver of tomorrow. That's a mindset transformation I think for which Bangladesh is now ready. Thank you.

Lincoln Chen : Thank you. Sajeda, you want to make any comments about the future?

Sajeda Amin: Yeah. So, I think one way I would respond to the question about the rights of government workers is again to go back to the question of soft skills. I think the main way, when we look at the life history of garment workers, the main way they improve on their wages is one, people who have negotiating skills, who can jump from job to job. That's basically the only trajectory for wage improvement in the garment sector. So, I think the ability to develop soft skills and the ability in particular to develop these negotiating skills, is critically important for the garment sector, for their work productivity and their returns, but also to be able to have these benefits spill over to the other sectors of life because those are skills that are transferable across different spaces.

Lincoln Chen: Good. Well, I would like to offer at this point because we have about 10 minutes left I think, we have got 8 minutes left. But would any of you like to make a final comment about the future particularly, I am impressed, Faisal with the lack of infrastructure, particularly the roads and power in Bangladesh, and how is that going to be in an enabler or a block. I am also impressed Sajeda with your comment about climate change and how that might affect, especially the southern portions of the country. I am impressed, Zillur about your emphasis on human capital, especially the more advanced skills, not just basic literacy but the more advanced skills. Mushfiq, I am impressed by your comments about the need for diversification and freedom. Freedom for innovation in the future but would you like each to make a one minute final submission comment about what do you think is the most important aspect about the future of the Bangladesh economy. Faisal?

Faisal Ahmed: Let me just go ahead. I think I would just again touch back on some of the challenges. The macro story, I cannot overemphasize, the macro story in Bangladesh is shifting very rapidly. We have to go beyond the growth numbers, even the drivers of the growth with the change in technology, climate change in the next decade or so, this is something that I can not overemphasize. State capacity, governance, governance in the financial sector, governance in the fiscal sector, and I think there we are far behind to some of the other previous take offs. Our story is at a critical juncture point and that we should take the celebration of the last 50 years, use that confidence to look at us more critically and with openness and that's something Mushfiq has highlighted. Thank you.

Lincoln Chen: Thank you. Zillur?

Hossain Zillur Rahman: Well, I will sum up in a different way, in a sense that middle income dream has been a powerful mobilizational sort of tool, but what I see that. We can talk about these certain particular features of the economy but Bangladesh people found out solutions that they have difficulties, constraints, we need to allow people to have a say in finding these solutions. And that's what I feel that one of the key thoughts I want to leave this discussion with is that perhaps the most important agenda for us now is that we need to democratize the middle income dream, we need to make sure the middle income dream is not being dreamt by any particular group in a particular way. We need to allow the different dreamers to have their say in how this dream and from that the appropriate action agendas will follow. Thank you.

Lincoln Chen: Thank you. Sajeda?

Sajeda Amin: So, I am going to be a debby downer a bit and talk about one of the central challenges in my mind is captured the indicators of sexual and gender-based violence. We have the dubious distinction of having some of the highest rates of reported intimate partner violence in the world and according to the data, we also have the dubious distinction of having the highest rates of child marriage in Asia, and only fourth in the world. And I think these are issues that are linked to security that's less of a proven connection but I believe while we can expand this whole notion of the security space to focus on these indicators and then dial back to the question of gender and how we have or we have not truly included women in the whole agenda on development.

Lincoln Chen : Thank you. Mushfiq?

Ahmed Mushfiq Mobarak: Yeah, maybe I'll summarize with one word that is livability of the place or something that shows in variety of ways from all the panelists comments, which is that moving forward, you want in order to succeed, you want your talent and your citizens to be in a place where they are very happy to live. So how does it relate to the lots of other comments that have been made? So this means means investment in infrastructure is critical, you won't be happy to live in a place where you have to secure access to water, to electricity, to basic needs like that. And we have made impressive progress, the government should be commended for making impressive progress in investing in power generation but there are some other challenges that remain. It's related to migration and urbanization as well, cities become unlivable if there's lots and lots of people come moving in and we are not making the required investments in housing, safe housing, access to sanitation, access to water and things like that.

A place is livable, also if you feel like you can use your talent to earn a return and then this dream, democratizing the dream that Zillur bhai talked about, if you feel like you are in a country where who you are born as, who you are connected to, is what determines whether you can dream about or not, that's not a good place to be, we are going to lose talent that way. And so, increase livability, like thinking about the challenges of urbanization is something I would have.

Lincoln Chen: Thank you very much, we've had a lively panel. I take away from this that the last 50 years, Bangladesh's success has come from bottom-up, has come from the enterprise, energy and creativity of its people. And it's not been top down or a centrally-controlled completely, though the question of how much power it enables the democratic dreams that is necessary for a democratic middle class, middle income country, I think is a challenge of the human capital and education.

Bangladesh is going to be a very different kind of middle income country, it's going to be a continuum from rural to urban. The whole country is urbanizing essentially because of the population size and also the infrastructure that's being put in place. So I think, I am impressed with the global warming and climate challenges in Bangladesh, but I take away from all this that the Bangladesh people are very, very smart and the Bengali culture has the power to both unite and to encourage innovation, which may not be found in the societies. So, for bringing and highlighting all of that I want to thank Faisal and Zillur and Sajeda and Mushfiq for a lively panel. Thank you.

