

December 12, 2014

While rich siphon money, poor drive economy

Prof Akash tells int'l conference in Dhaka

Staff Correspondent

While the wealthy people mostly spend their money either on "wasteful" luxury or siphon it out of the country instead of investing in the domestic economy, the contributions of the poorer sections are driving growth, economist MM Akash said yesterday.

Despite bad governance and the acts of the rich, Bangladesh's economy is growing for farmers, expatriate wage earners, garment workers, and small and medium entrepreneurs, he told an international conference on "political economy, accountability and governance".

Brac's Institute of Governance and Development organised it in a hotel in Dhaka, jointly with Effective States and Inclusive Development, International Growth Centre and the Think Tank Initiative.

There is a default loan of Tk 57,000 crore in the country while the Swiss Bank has a deposit of Tk 3,100 crore siphoned off Bangladesh, said the economics professor of Dhaka University, citing official records, and added that the working class was driving the economic engine.

In a presentation, economist Prof Wahiduddin Mahmud said widespread tax evasion at individual level caused a very low revenue mobilisation in the country.

He said a lack of democratic culture within political parties, a non-functioning parliament, weak local government, and politicisation of state institutions affected both governance and development.

The professor said somewhat paradoxically and despite "a serious problem of dysfunctional governance", the country had achieved remarkably in human development and poverty reduction efforts over the past two decades.

After the January 5 election, Bangladesh is gaining the syndrome of a one-party state, observed Prof Ataur Rahman, president of Bangladesh Political Science Association.

Brian Allemekinders, charge de affairs of Canadian High Commission, said democracy was much more than mere elections; it required an independent judiciary and election commission and space for mass media.

“There cannot be true good governance without true representation, and true development is not possible without good governance,” he said.

Prime minister's adviser Mashiur Rahman, Prof Mushtaq Husain Khan of University of London, and Dr Shankar P Sharma, former vice-chairman of National Planning Commission, Nepal, also spoke, while Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue, presided over the session.