

# **BDI DEVELOPMENT NEWSLETTER**

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**EDITOR: MUNIR QUDDUS**

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**Note: Digital art by Professor Wahiduddin Mahmud; with the author's permission.**

**Editor's Notes**  
**Volume 3, Number 1, spring 2021**

**Munir Quddus**

Happy New Year! I am sure few of us will miss the past year, and we all look forward to a better future in our personal lives, and for the people of the world in 2021.

Welcome to the spring 2021 issue of the *BDI Development Newsletter* - a scholarly publication dedicated to covering ideas, stories, data, literature, and happenings related to the development of Bangladesh. This publication aims to inform as well as connect academics with practitioners working in the field, policymakers in government, researchers, concerned citizens, entrepreneurs, and those who are part of the global development community. The focus is not just on the ideas but also on the people who make up the development ecosystem. This is the fourth issue of this publication.

The four articles in this issue are devoted to a number of topics, including corruption in Bangladesh, especially bank default; the need for a more just and “moral economy” beyond simply a fast-growing economy; remembering Sir Fazle Abed on the first anniversary of his passing; personal reflections on James Wolfenshon, former president of the World Bank, who recently passed away. The main article is an interview with Prof Muinul Islam, now retired from Chittagong University, who has written extensively on corruption and rent-seeking in Bangladesh. He is a distinguished political economist. He discusses his research on the chronic problem of “bank defaults” in Bangladesh. I know him from Vanderbilt University, where we met in the 1980s as he was finishing up his Ph.D. and I had arrived to start my program.

The second article is on the moral economy by Professor Wahiduddin Mahmud published in *The Daily Star* as an Op Ed piece. It is published here with minor updates by the author. One of Bangladesh's leading economists, he is also a distinguished public intellectual, with a rising reputation as an artist. Thank you Wahid bhai for permission to use digital painting on your New Year's greeting card.

The third article is by Mushtaque Ahmed, former vice-chair, BRAC, who worked closely with Sir Fazle Abed over many years. The last article by Mr. Fayeze Choudhury is on his reflections on James Wolfenshon, a consequential President of the World Bank. Mr. Choudhury served as a senior official under a number of WB presidents and was perhaps the highest-ranking Bangladeshi to serve in the WB. I want to thank Prof. Salim Rashid for the introduction.

Given the dramatic health crisis that has afflicted the world since early 2020, I have included a research article from SSRN site on the impact of the COVID 19 pandemic in Bangladesh. The pandemic has ravaged economies across the world, causing massive unemployment and rising poverty for hundreds of millions across the globe. Fortunately, the impact has been less severe than originally anticipated in Bangladesh than in the West. Even as we celebrate the success of our scientists for the near-miraculous invention of vaccines, the nightmare and threat is not over. As we step into 2021, let us hope and pray that the people of the world overcome the pandemic, and unshackle the global society and economy so once again we can focus on the real enemies haunting mankind – poverty, hunger, wars, inequality, illiteracy, and extremism, among others.

Munir Quddus  
Editor, *BDI Development Newsletter*  
President, Bangladesh Development Initiative

## A Conversation with Professor Muinul Islam: Chittagong University January 11, 2020



*Professor Muinul Islam is a leading economist of Bangladesh. He taught at the University of Chittagong from 1973 until his retirement in 2016. He holds an M.A. in Economics from the University of Dhaka, a second M.A. in Economics from McMaster University (1976), and a Ph.D. in Economics from Vanderbilt University (1981).*

*Dr. Islam was elected president of Chittagong University Teachers' Association in 1986 and president of Bangladesh Economic Association (2000-2002). He was awarded a gold medal by the Bangladesh Economic Association (BEA) in 2012, as one of the four top economists of Bangladesh. After his retirement, Prof. Islam was nominated by the University Grants Commission (UGC) of Bangladesh as a UGC Professor (July 2016-June 2018). The Government of Bangladesh conferred the **Ekushey Padak 2018**, the second highest award of Bangladesh, to Prof. Islam for his contributions in Economics. He has published nine books in Economics nationally and internationally. He also authored eight research monographs and published thirty-seven scientific papers in reputed international and national journals.*

[The interview has been edited for length and space.]

### 1. Please share a little on your early intellectual journey – How did your education lead to your career path as an academic and a researcher?

After completing my B.A. Honors and M.A. in Economics from the University of Dhaka in 1973, I had to respond to an ardent appeal from Prof. Yunus, then Chairman of the Department of Economics in the University of Chittagong, to join the University of Chittagong as a lecturer in Economics. Prof. Yunus was like an elder brother since my early boyhood, as his younger brother was a close friend and classmate. I went to the

McMaster University of Canada for another master's degree in 1975-76. Then, I obtained my Ph.D. in Economics from the Vanderbilt University, USA, in 1981. I came back to Bangladesh in 1981 and continued my teaching at the University of Chittagong until 2018.

**2. What led you to devote your professional career to the study of development issues in Bangladesh? Have you had an opportunity to work in public policy, government, or NGO?**

Economic Development and Public Finance were the two fields of my specialization at the Ph.D. level. As my motherland Bangladesh was a least developed country (LDC), I decided to concentrate on the difficult issues of the Bangladesh economy as my subjects of research throughout my research career starting with my Ph.D. dissertation. I made sure all through my career that my research agenda must not be dictated by donor funding. Therefore, I avoided donor-funded consulting business throughout my career. Most of the topics of my research projects are selected solely on the basis of my own research interests, and the topics are considered by me as very important for the economy of Bangladesh. For example, production efficiency in agriculture, overseas migration, poverty discourse, smuggling, bank loan default, informal remittances, regional cooperation and role of the state in Bangladesh's underdevelopment are some of the major topics of my substantive research.

I worked as the director general of the Bangladesh Institute of Bank Management (BIBM) on deputation for three years. I gave a condition that the authorities must allow me to conduct a research project on defaulted loans, which ultimately allowed me to conduct the research in 1998-2001 period to produce the much-appreciated research report on the bank loan default problem of Bangladesh. Many vested interests tried to sabotage the research, which delayed the completion of the project for several years. But I finally overcame the barriers to publish the report as a book in 2010.

**3. Briefly, which [ideas, actions, writings] would you consider to be among your most important contributions to the development of BD?**

- a) I think my research on defaulted loans in the private sector of Bangladesh has been the most exciting of the research projects that I could complete and publish as a researcher despite many barriers put in the way by vested interests to stop the research and also its publication. This research work is widely regarded as the boldest effort put up in a research to expose the money-grabbing game in the banking sector of Bangladesh.
- b) Our research project on smuggling sponsored by the Bangladesh Institute of Development Studies was the pioneering study on the topic in Bangladesh. The Government did not allow us to publish the two reports of the project as a book, but I published on my own the research findings of the project in a book written in Bengali to circumvent the government's refusal.
- c) My research monograph on the poverty discourse of Bangladesh explains that poverty is a 'systemic problem.' Therefore, microcredit alone should not be

regarded as an adequate method to fight poverty. I also tried to expose the inadequacy of the government's safety net measures. I have identified twelve fields and processes which are mainly responsible for creating and recreating poverty in Bangladesh. In the book, I dealt on participatory action research (PAR) as people's praxis to confront deprivation and disadvantage.

- d) Our research monograph on regional economic cooperation in South Asia, which is published by Pearson of London in 2010, has been acting as a guide to policy-makers in the growing regional cooperation between Bangladesh and India.
- e) As the president of the Bangladesh Economic Association, I led the economists of Bangladesh in a successful fight to stop leasing of Chittagong Port in 2000 to a US company and the BNP Government efforts to export gas from Bangladesh in 2002.
- f) I have been writing regular newspaper columns in a number of leading newspapers of Bangladesh for the last 38 years on various issues of political economy of Bangladesh, which are hugely popular.

**4. Please elaborate on the work you have done, including writing a column in a Bangla paper, addressing various dimensions of the problem of “corruption” in Bangladesh. What were your goals in writing this column?**

My field level research on smuggling, remittances of overseas migrants, and defaulted bank loans has been enormously helpful in reaching the proper depth of the problems of institutionalized corruption, criminalization of the economy and politics, and the commercialization of the electoral process of Bangladesh. Therefore, I have been using my newspaper columns in the leading newspapers of Bangladesh like the *Prothom Alo*, *Samakal*, *Shangbad*, *Jugantar*, *Bonik Barta*, *Azadi*, and the Daily Star for the last 38 years as the proper vehicles to inform the newspaper-readers of the country in intelligible Bengali and English languages about political and bureaucratic corruption, money laundering, capital flight, extortion of migrants and looting of bank loans by the ‘robber-barons’ of Bangladesh patronized by ruling parties of Bangladesh. I have also published nine books on the topics—five in English and four in Bengali. The books in English are research monographs which follow rigorous research techniques, and the books in Bengali are written by following popular linguistic approaches.

As I was involved in the independence struggle of Bangladesh as a member of the ‘*Shwadinata Nucleus*’ during my university days at Dhaka University, I have decided as a university teacher to speak the truth against the maladies afflicting my motherland at all cost. Therefore, I am known as an anti-establishment academician in Bangladesh. On several occasions, I had to face the wrath of the ruling parties for my uncompromising stands, and I had to forego any ambition to become an administrative luminary during my academic career.

**5. As a former Director of BIBM, what was your experience in conducting research on the chronic problem of “bank default” in public sector banks in Bangladesh?**

In July-October 1997, I was persuaded by Prof. Muzaffar Ahmed of Dhaka University and the BB governor Lutfur Rahman Sarkar to take up the position of DG, BIBM. Prof Yunus also advised me to take the position. After long four months, I finally agreed on the condition that I should have the freedom to conduct research on the bank loan default problem.

I took up the DG position on March 1, 1998, and started my research along with three researchers, who were my colleagues at BIBM. Then finance minister S.A.M.S. Quibria provided a list of 2117 bank loan defaulters, who had at least Tk 10 million as defaulted bank loans up to December 1997, in the parliament in January 1998. Since this list became a public document through its presentation to the parliament, we decided to work with this list.

We took a random sample from the largest 1,000 defaulters in this list and reached out to survey these borrowers with an extended interview. In order not to antagonize the interviewees, we gave the name of the survey as 'A Profile of Creative Entrepreneurs of Bangladesh.' Despite this precaution, many targeted key-persons refused to speak to us. Nevertheless, we completed our research based on the sample observations of 125 key-persons of firms listed as defaulters and presented the initial findings in a national seminar held on 19 May 1999.

**6. How were these research findings on bank default received? Was there any move on the part of the policymakers to stem this loss to the public exchequer?**

It immediately became the biggest story of the day with most newspapers, Bangla and English, reporting our research results on bank loan defaulters as headline news. The BBC Television also covered the story of the research extensively in their evening news of 19 May 1999, and I was extensively interviewed by media and journalists.

The fall-out was immediate. Finance Minister Quibria and Prime Minister Sheikh Hasina were not happy initially, and I was asked by the finance minister to explain why I had chosen the research project. I explained that the list presented in the parliament was a public document, and the data of the survey were related to the period before their assumption of power. Thus, the findings did not reflect on the new AL government. At this, the pressure was off. The finance minister asked for a copy of the report, and the Prime Minister even discussed our study in the parliament to blame her political opponent BNP for the bank loan default crisis. However, the reprieve was temporary.

When I wanted to do the second part of the study, the new BB governor, Dr. Farashuddin refused to give me permission to use the data on bank loan defaulters from relevant banks. I repeatedly reminded him that this was part of my contract, but to no avail. Therefore, I completed the study by changing the methodology by switching to the case study method for the 31 'star defaulters.' We had to literally turn into detectives in digging out data and particulars. My field assistant Lutful Karim, a student of mine, was detained twice at interview sites, but fortunately, he come out unharmed.

The 31 case studies told a powerful story of rampant corruption with the politicians and big business working in cahoots to defraud the people of Bangladesh. Nearly Tk 300,000 crore has vanished from the commercial banks in this manner under the BNP, Jatiyo Party, and Awami League governments over the past four decades. According to our conservative estimates, as much as 40% of all bank loans in Bangladesh have this fate.

Some of the largest defaulters are prominent business people and politicians today, and the loans many of these individuals defaulted may be as large as Tk 5,000 crores each. Some of the biggest names in the industry and politics have been part of this long-term scheme. This is a form of institutionalized corruption and extortion, perhaps the most gruesome form. It is an interesting study in political economy. Given the vast sums of money that come in as “Hundi” or through informal channels eventually flow into the banks from the migrants from overseas, the banks, therefore, do not suffer from deposit shortage.

**7. Did these research findings and its publication have any impact on your career as a scholar with interest in studying problems in political economy?**

Later in 2001, in a separate incident, a two-year extension of my contract as DG, BIBM was rescinded and I returned to teaching at Chittagong University. Despite this, I continued to compile the report of the project. But the new DG of BIBM, my successor, wanted me to get approval for the results before publishing it. I refused and waited three years until a new DG took over. Finally, I completed the report in 2007. (Meanwhile, only one of the three co-researchers agreed to cooperate because of their fear for the BIBM job.)

But another DG took over at that time. When I submitted the report to him with a request to publish it, he referred the matter to the governing board of BIBM. The board decided that BIBM would not publish the manuscript. Eventually, I was told that I could publish the results as my own research without using the BIBM platform. I decided to publish this as a book, but UPL, which initially showed great interest, sat over the manuscript for seven months because of deliberate delay tactics of some of the reviewers, in particular, Dr. Qazi Khaliqzaman Ahmad.

So, I became frustrated and withdrew the manuscript from UPL. Finally, my co-author of the book and I used our personal resources to publish the study results as a book titled *A Profile of Bank Loan Default in the Private Sector in Bangladesh* in 2010. It immediately had a big impact and was sold out. This book is now considered in Bangladesh as a bold story of ‘wanton bank loan grabbing’ by the powerful quarters of Bangladesh. To my knowledge, this is the most comprehensive study of bank loan defaulters ever conducted in Bangladesh. Of course, since then the situation has become much worse in the last decade.

**8. Soon after the 2018 elections, you were among the very few academics who wrote about the irregularities and lack of transparency surrounding the elections.**



I was the first person in Bangladesh who exposed the irregularities of the 2018 election, though I, myself, had voted for the Awami League candidate. Unfortunately, the widespread rigging in that election has totally derailed the electoral process of the country, which I consider as a very serious crisis for democracy in the country. My contention was that the Awami League had been on its way to win a big majority in that parliamentary election. So, the ‘election engineering tactics’ were totally unwarranted and unnecessary.

**Why did you speak up, and did you receive a pushback?**

As a conscientious academician, I felt that I must speak the truth despite the political dangers of such bold steps. To me, the interest of my motherland comes first as a priority regardless of the risk involved.

**9. Given the endemic corruption, are you optimistic that one day we will be able to substantially reduce corruption in Bangladesh?**

Though it will be difficult to successfully confront corruption in the context of the extractive nature of the state in Bangladesh, I remain optimistic that if the political will can be made forthcoming through our outspoken campaign to expose corruption it can be reduced gradually. Hong Kong, Indonesia, Malaysia, South Korea, China, and Iran have been reasonably successful in reducing corruption, although Singapore and Japan remain the ‘beacons’ in fighting corruption in Asia.

**10. Taking a long-term view, which particular challenge that BD is likely to face in the next 25 years do you think we should prepare for now?**

Increasing inequality in income, discriminatory education system, increasing marketization of the health system, and the ‘jobless growth syndrome’ are the other four main scourges afflicting Bangladesh besides the number one problem of institutionalized corruption. These five items should get the top priority of our development agenda for the next 25 years.

**11. What has prevented Bangladesh from doing even better over the past 20 years?**

The nature of the state in Bangladesh remains bureaucratic, peripheral capitalist, and extractive, and I think this is the single most important factor for lengthening the ‘underdevelopment trap’ for Bangladesh.

**12. If you were in charge of the development policymaking today, what policy would you implement urgently to reduce corruption and improve governance?**

First, the nature of the Bangladesh state must be changed through the institutionalization of truly representative electoral democracy accountable to the people. The roles of both the military and civil bureaucracies must be effectively reined in through the strengthening of democracy.

Second, discriminatory primary and secondary education systems must be demolished to establish a uniform, modern and scientific system at least up to the high school level. The government must increase expenditure in the education sector as the topmost priority to reach a level of adequate funding for education.

Thirdly, access to quality health service must be made affordable for all sections of the people by substantially increasing government investment and subsidy in that sector.

Fourthly, the anti-corruption campaign must be strengthened substantially and made fully independent of government control.

**13. What are your views on the economic system which will expeditiously deliver the best results for BD?**

The four state principles of Bangladesh have been restored in the constitution through the historic judgment of the Supreme Court of Bangladesh in 2010. But the policy-makers are continuing the neoliberal ‘open market economy’ version of peripheral capitalism as the policy regime of Bangladesh. Though the soviet-style models of socialism cannot be brought back in any country in the future, I earnestly believe that Bangladesh has got the ‘Kerala Model’ as a good guide in its development process.

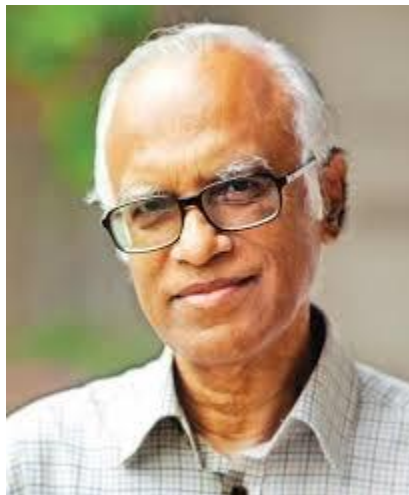
**14. How do we get more young people interested in development so that the best talent is directed to finding solutions to the complex problems of poverty, inequality, and growth?**

I believe that young people in Bangladesh should be oriented to address the issues of increasing inequalities of income, discriminatory access to modern education and health facilities, and extractive state and criminalized politics. Poverty is a ‘systemic problem’. So, if we prioritize the issues of inequalities, poverty will be automatically addressed. At the same time, our young people should be properly informed that there is actually no trade-off between growth and distributive equity.

**15. Any closing thoughts?**

Countries like Bangladesh must shun the neoliberal thoughts enshrined in the so-called open economy version of capitalism. The market and the state must not be seen as ‘ideological substitutes’ in policy-making and statecraft. Both the problems of market failure and state failure must be thoroughly examined before deciding which function to give to the private sector and which to retain under state-management. The market must be made a ‘governed market’ through strengthening the regulatory role of the state.

## **Reclaiming a Moral Economy: Professor Wahiduddin Mahmud** *GDP growth is not enough*



*Professor Wahiduddin Mahmud is an economist and a former professor of economics at the University of Dhaka. He is currently on the Board of Global Development Network. Wahiduddin Mahmud obtained his Ph.D. in economics from Cambridge University. He has frequently consulted for many international organizations and has held teaching and research appointments at Cambridge, IDS at Sussex, IFPRI, and the World Bank, among others. He is currently a member of the UN Committee for Development Policy (UN-CDP) and chairman of the South Asian Network of Economic Research Institutes (SANEI). Together with Nobel peace prize winner Muhammad Yunus, he co-founded, and was chairman for the last ten years of Palli Karma Sahayak Foundation (PKSF), which is an apex institution for funding the microfinance programmes of NGOs in Bangladesh. He is also chairman of the Institute of Microfinance, a sister organization of PKSF. His current and previous assignments in Bangladesh include chairing several government commissions and committees, including those related to bank reforms, national income accounting, implementation of Millennium Development Goals and preparation of the country's five-year development plans. He was a member of the caretaker government of Bangladesh in 1996 in charge of finance and planning ministries. His recent books include an edited volume for the International Economic Association titled "Adjustment and Beyond: the Reform Experience in South Asia" (Macmillan Palgrave) and another edited volume titled "Handbook on the South Asian Economies" (Edward Elgar). His forthcoming book is "Theory and Practice of Microfinance".*

*This article was first published in The Daily Star, December 26, 2019, and has been included here with the author's permission with minor updates.*

<https://www.thedailystar.net/opinion/economics/news/reclaiming-moral-economy-1845091>

## **Reclaiming a Moral Economy by W. Mahmud...cont'd**

Bangladesh currently ranks among the fastest-growing major economies in the world, notwithstanding some doubts about the growth estimates. In fact, the country's average annual growth in per capita income has been way above the average of all developing countries since the 1990s. Yet, Bangladesh continues to be rated very low in almost all the global development indicators, particularly in terms of the prevalence of widespread corruption. While a close association between the quality of governance and economic growth performance is now widely recognized, the moot question is: how long can Bangladesh continue to progress by defying the growth-governance links?

The usual policy advice is mainly to do with devising and enforcing appropriate policy reforms aimed at building a business-friendly institution, such as to reduce corruption, maintain the basic law and order, ensure property rights, or address the bureaucratic hurdles—all of which could reduce the currently high cost of doing business. However, these procedural and enforcement problems in the formal governance structure are only one side of the coin; on the other side are the issues of behavioral norms and ethical standards prevalent among various stakeholder groups in society. Administrative reforms towards enforcing accountability and reducing corruption among government functionaries are less likely to succeed without an understanding of how incentives for deviant behavior arise and behavioral norms are formed. A piecemeal approach to redress the situation is not only likely to prove inadequate but may also seem arbitrary in its application. This is also true regarding attempts towards preventing unholy collusion among market regulators and unscrupulous businessmen when such collusive behavior has already become the norm.

The problem can, in fact, be more serious than what it appears at first. Any widespread unethical behavior is obviously difficult to address because of the sheer magnitude of the problem. A less obvious phenomenon is that, beyond a certain tipping point, the prevalence of such behavior becomes self-reinforcing and continuously erodes the ethical standards. Consider, for example, the spread of the culture of bribery in government offices. When bribery is not so widespread, the individual official's financial benefit from bribes may not be worth the cost in terms of searching for a willing client and the risk of being reported and punished, even leaving aside the psychological cost of a guilty conscience. But this cost-benefit calculus of bribery may be reversed when such practice is so widespread that it becomes a behavioral norm with a lesser feeling of guilt, while the risk of detection and punishment is also much less.

The important lessons from this analysis are that unless an anti-corruption campaign is of a scale that can bring the prevalence of corruption well within the tipping point, corruption will again spread as soon as the campaign ends. If the campaign is prolonged enough, there will ultimately be even less need for punitive actions as new norms of ethical standards take hold, thus favorably altering the initial cost-benefit calculations of corruption. The ethical standards are not thus given, but respond to the timing and extent of the application of formal deterrence mechanisms.

There are numerous other areas of the functioning of the economy where legal and regulatory enforcement mechanisms interact with the evolution of moral standards. The lax enforcement of tax laws, for example, has rendered tax evasion into habit formation among tax-eligible businesses and individuals, thus resulting in a dismally low tax-GDP ratio, which is one of the weakest aspects of our macroeconomic management. Then there are unscrupulous businesses thriving in an environment of lax regulation, and in the process, driving out the honest ones; the result, for example, is factories that disregard safety and labor standards, or markets inundated by sub-standard drugs and adulterated foods posing grievous threats to public health.

George Akerlof won Nobel Prize in economics in 2001 for his theory on markets with imperfect information; the theory, which originated from his observation of the Delhi milk market, can explain how food adulterers, unchecked by effective regulation, can capture entire markets. As an increasing number of producers cut costs by adulteration, buyers must face the increasing risk of getting an adulterated product and are thus willing to pay less and less price until the honest sellers no more find it profitable to stay in the market. Adulteration thus becomes the prevalent norm. While Bangladesh earned plaudits for its success in reducing child mortality leading to a remarkable increase in average longevity, there is a looming risk that this achievement may be undermined by an increase in premature adult mortality due to diseases caused by adulterated food along with other kinds of environmental pollution. The remedy lies in vigorous campaigns of awareness throughout the entire food chains, along with finding ways of enforcing surveillance and regulation of product quality.

There are, of course, many other kinds of large-scale malfeasant activities driven by illegal economic gains, such as the share market scams or willful defaults of bank loans that are now beginning to shake the confidence of depositors in the financial institutions, or money laundering resulting in capital flight, or unlawful grabbing of land including riverbanks, hills and forests that is seriously depleting our already meager environmental resources. Such malfeasant activities are, however, perpetrated by a certain influential coterie of elites who are usually the beneficiaries of patronage politics; such wrongdoings may not be thus considered as signs of ethical degradation of society at large. Nevertheless, such a culture of patronage politics makes governance reforms even more difficult, besides directly doing harm to the pace and quality of economic growth. Modern institutional economics has advanced several hypotheses in this regard.

First, if the leading political and economic entrepreneurs are the beneficiaries of the prevailing system of governance dysfunction riddled with unethical practices, they have little incentive to change the system; which is why a big jolt is needed to correct the moral compass of the system. Second, effective governance reforms seek to find entry points in which there are unexploited potentials for all stakeholders to gain from win-win compromises, such as an increase in wage can lead to productivity gains that can benefit the factory owners as well. But such compromises can hardly appeal to the interest groups who continue to thrive by unlawful rent-seeking activities outside the normal functioning of a well-regulated market economy. Third, a government embarking on a simultaneous campaign of law enforcement and moral suasion needs to command the confidence of the people in its integrity and its social guardian role, which may prove difficult in a widespread culture of patronage politics.

Broadly speaking, no society to start with is intrinsically more corrupt or more lacking in moral standards than another. It is a process shaped by political, social, and economic institutions through which the moral codes and standards are shaped, evolved and perpetuated. In a fast-growing economy like Bangladesh, with rapid urbanization and social transformation, societal values are bound to change, for good or for worse. No doubt, our impressive economic progress needs to be recognized and appreciated, but if such progress starts diminishing our moral standards, we need to revisit our values.

## In remembrance of Sir Fazle Hasan Abed by Dr. A. Mushtaque Chowdhury

December 21, 2020

Ahmed Mushtaque Raza Chowdhury



*Dr. Mushtaque Chowdhury, Professor of Clinical Population and Family Health, Department of Population and Family Health, joined the School of Public Health at Columbia University in 2004. He is also working as Vice Chairperson of BRAC in Bangladesh. Dr. Chowdhury has international experience working in diverse situations such as Bangladesh, Pakistan, Nepal, Thailand, China, and Ethiopia. During 2009-2012, he served as senior advisor at the Rockefeller Foundation, Thailand, overseeing the health portfolio of the Foundation in Asia. Dr. Chowdhury is the founding Dean of BRAC University's James P. Grant School of Public Health in Bangladesh. He also founded the Research and Evaluation Division of BRAC, an NGO which is particularly concerned with poverty alleviation, education, and health. With over 50,000 full-time staff, BRAC is one of the largest non-governmental development organizations in the world. He co-coordinated the Lancet Series on Bangladesh (Bangladesh: Innovations for Universal Health Coverage, The Lancet, November 2013). The Lancet also profiled Dr. Chowdhury (The Lancet, 382:1695, 2013). Dr. Chowdhury is an Adviser to Brac James P Grant School of Public Health, BRAC University and Convener to Bangladesh Health Watch (BHW).*

<https://www.thedailystar.net/opinion/news/remembrance-sir-fazle-hasan-abed-2014081>

December is the month of victory. We fought over our flag, our land, and our independence. We celebrate it every year. This December, however, is a little different as it marks the first anniversary of the passing of Sir Fazle Hasan Abed. This year we are also celebrating the life and works of a leader of new Bangladesh.

Over the past twelve months, much has been written about the legacy of Abed Bhai, as we fondly call him. He was a man much larger than himself. Abed Bhai will be remembered for many of his deeds and contributions, which transcends much beyond the borders of Bangladesh. He was a true trailblazer. “There is no layer and sub-layer of our societal makeup which has not been touched by Abed’s work. He is the principal architect of the massive transformation that has taken place in Bangladesh society since liberation,” wrote Nobel Laureate Professor Muhammad Yunus.

The BRAC organization is his brainchild, which he founded with a few of his close friends in 1972. From a small organization, he nurtured it to become the world’s largest non-governmental organization (NGO). As he (and I) wrote back in 1989, “When BRAC was started in 1972 we thought that it would probably be needed for two to three years, by which time the national government would consolidate and take control of the situation, and the people would start benefitting from independence. But as time passed, such a contention appeared to be premature. After 16 years, we feel that we have not yet outlived our utility and need to do more and more”. And he continued to do ‘more and more’ until his last breath.

He was an institution builder par excellence. Even I, who spent a long 42 years with the organization and with him, would not be able to list all the institutions that he founded. One of his greatest legacies, which I dare to say, is most likely to live for hundreds of years, is the BRAC University. The University opened its door in 2001, and in less than two decades, it has become one of the top private universities in the country. Abed Bhai invested his time and energy to make it an institution of excellence in higher education, not only in Bangladesh but for the region. He always believed that the quality of universities in a country is a good marker of the development of the society, and as such, he wanted to make sure that BRAC University offered the best quality education. In doing so, the University has invested in attracting the best of students and faculty, not only from Bangladesh but internationally.

While undergraduate education is the lifeline of a university, (post)graduate education makes it perfect as an institution of learning and knowledge generation. BRAC University has several such institutions such as the Institute of Education, Institute of Governance and Development, and School of Public Health. They are autonomous and some are already financially self-supporting.

BRAC is a pioneer in initiating large scale programmes in health that have benefited millions of people over the years. These include primary health care, training of community health workers, promotion of oral rehydration solution, immunization against the common diseases, women’s and reproductive health including family planning, treatment of tuberculosis, eye care, nutrition, water sanitation and hygiene (WASH), and so on. Many of these programmes have been hailed as path-breaking with an enormous impact on the health of the people of Bangladesh and across the world. In implementing such programmes, BRAC acknowledged the dire shortage of trained leaders in public health. One of Abed Bhai’s dreams was to build a school of public health. After overcoming bureaucratic hurdles, BRAC University was able to launch such an



institution in 2004. James P. Grant, the Executive Director of UNICEF for 15 years, was a great visionary. During his time, UNICEF initiated many programmes that changed the way the world looked at child health. His persistent promotion of the famous *Child Survival and Development Revolution* is variously credited for the significant decrease in child mortality in different parts of the world. Grant was a good friend of Bangladesh and of BRAC. In recognition of his contributions, Abed Bhai decided to name the new institution the James P. Grant School of Public Health (the School).

Although the School formally started in 2004, the groundwork was done from at a much earlier stage. A feasibility study was done. One of the reasons he encouraged me to take on a Visiting Professorship at Columbia University's Mailman School of Public Health in New York was to learn how a modern school of public health functioned. During my two years' residence at Columbia, I came in close contact with a host of relevant experts. With Dean Allan Rosenfield's active support, I organized several workshops on different issues related to the future institution, drawing on experts from Columbia and other universities in USA. We also formed an international advisory group for the new school headed by Allan Rosenfield himself. Abed Bhai attended a few of these workshops as well that further demonstrated his deep interest and commitment to the School. When BRAC received the Gates Global Health Award in 2004, he donated the entire award money to the School, thus forming its first endowment.

In addition to my role at BRAC as its Deputy Executive Director, he asked me to take the helm of the School as its founding Dean. It was a big honour, but an onerous task as well. One of the first things I did was to organize a conference in Dhaka where we invited leaders in public health and public health education from across the world. Abed Bhai himself attended the entire two-day conference that demonstrated his commitment to the School. Here, the professors and other leaders representing institutions like Harvard, Columbia, Johns Hopkins, London, Uppsala, Cape Town, Makerere, and Hanoi lent their full support to the new School. The Dhaka-based ICDDR,B also enthusiastically came forward to become an active partner in this endeavour. Such support from Bangladesh and overseas were critical given the shortage of public health faculty in the country. This helped us to launch the Master of Public Health (MPH) programme from as early as January 2005.

We wanted to make this programme unique from other existing MPH programmes. One of the principles we adopted was the 'problem-based experiential learning'. In this, the students would not only attend class-based teaching, but also be exposed to the villages and urban slums so that they are able to learn from real world experiences. In the 1980s, the Rockefeller Foundation had supported several schools of public health in different parts of the world for promoting experiential learning, which they called 'Public health schools without walls'. The learning from that initiative was very useful for us in innovating new ways of teaching-learning. The other principle we have been practicing is the promotion of peer learning by making the class as diverse as possible. As such, half of our student body is represented by women, half are non-medical graduates and half are international. We have seen to our amazement how students learned from each other.

The School has been a great success. Many of the graduates have gone on to do their PhDs from elite institutions such as Harvard, Columbia, Hopkins, and London. The Bulletin of the World Health Organization listed the BRAC School as one of the top six institutions in the world practicing community-based learning.

The James P Grant School of Public Health is also unique as it promotes research by its faculty and students – a rare combination of teaching-learning and knowledge generation. In 2019 alone, the School's faculty have published 56 research papers in peer-reviewed international scientific journals and 43 OpEds in popular media.

The last time Abed Bhai visited the School was on December 1, 2018. This was a sentimental occasion for me personally, as he formally launched a scholarship programme for women doing MPH in the School that was financed by the sale of the only landed property my family possessed. He had a full appreciation for the gesture because, as he said, 'the donating family is not rich'.

Thanks to the vision and sagacity of Abed Bhai. It has been a long year since he departed. Perhaps too long. Much of the time, since he passed, we spent in the corona fire-fight. We don't yet know where or when this will end. But we do believe that the corona journey would have been different, perhaps a little softer, if Abed Bhai was amongst us... We miss him dearly.

## Jim Wolfensohn and the World Bank Presidency: Fayez Choudhury



*Fayez Choudhury was with the World Bank from 1985 to 2010, serving in three Vice Presidential roles under three different Presidents in his last ten years at the bank. He was appointed Vice President and Controller by Jim Wolfensohn; served as the Controller and Vice President, Strategic Resource Management under Paul Wolfowitz; and continued as the Vice President Corporate Finance, Strategic Resource Management and Risk under Robert Zoellick. He took an early retirement from the Bank and became the CEO of the International Federation of Accountants before retiring in 2018. Currently, he is engaged in a number of independent non-executive roles on governance bodies of development agencies and international NGO's. He lives in Chevy Chase Maryland with his wife Yasmin.*

Whenever anyone departs this world, the reflections on their life and accomplishments focus on the positive - it would be in poor taste to do otherwise. If the departed soul has been a public figure, after a decent passage of time deeper, more objective, assessments of their accomplishments are written. The President of the World Bank is certainly a public figure, but the extent of broader public interest in their stories, apart from development insiders, is limited. Robert McNamara perhaps being the exception, about whom I talk further below.

The most consistent and durable assessment of World Bank Presidents is recorded in the World Bank website (History of World Bank Presidents). Obviously, the curators are careful to make these histories as free from subjective commentary as far as possible but in so doing the accomplishments of the various Presidents tend towards being simply a journal of what occurred in the Bank during their tenure. The picture that conveys is that of a President, sleeves rolled up, issuing instructions to subordinates on initiatives X or Y. The reality as I saw as an insider was very different. Some Presidents truly drove the shape and direction of the Bank. Others responded unquestioningly to demands from blocs of influential shareholders to take certain actions. Yet others realized that they had a skilled cadre of international bureaucrats and development experts and created a positive environment where they could do their thing; and yet

others allowed the same to happen but with almost benign neglect rather than as an affirmative act.

So, when we remember Jim Wolfensohn, the ninth President of the World Bank, and one of the longest serving (1995 -2005) who passed away November 25, 2020, it is perhaps appropriate to look at his accomplishments in the context of those who led the institution before him. When I joined the Bank in 1985 Robert McNamara had left two years before, after a 13-year tenure. He was a legendary figure amongst those who had served at the WB during his tenure. From being the youngest president of the Ford Motor Company, he became the Secretary of Defense during the Vietnam era before being appointed to lead the World Bank. Few would deny that he was a man of tremendous energy and drive who created the modern World Bank. He is seen as having implemented modern, corporate-like management structures and processes, gave it a sense of purpose and possibilities, and began the process of evolving it from an imperial/colonial approach to development to more of a partnership between stakeholders. By all accounts he was a man on a mission. There are reports of private conversations upon the release of the documentary film, "The Fog of War" which seem to indicate that he was driven by a desire to seek atonement for the carnage he directed during the Vietnam war.

After McNamara left, AW (Tom) Clausen became the President of WB. He came from being CEO of Bank of America - in the pre-globalization age - and was the President when I joined the Bank, I was struck by discussions around the water cooler by staff yearning for the "good old days " of McNamara, and lamenting the low-key leadership of Clausen, his reported lack of understanding of development and international settings and multilateralism. He completed one five-year term and returned to Bank of America. He was succeeded by Barber Conable, a long serving congressman from upstate New York, with no obvious qualifications or background for leading the World Bank in the President's role. Soon after arriving he hired external consultants to reorganize the Bank, reportedly at the behest of some major shareholders. This was done with gusto. In the Bank, the reorganization was received by most with a singular lack of enthusiasm, if not downright angst. Conable also chose not to pursue a second term and was replaced by Lewis Preston, CEO of JP Morgan. Tragically, illness and his untimely demise cut short his Presidency, but in his brief tenure his patrician demeanor, reassuring calmness and sure-footed management style had begun to earn the respect of staff and shareholders.

And then came Jim Wolfensohn. When his appointment was announced, few in the bank, or even in the development community, had heard of him. But once his resume started circulating, we were all intrigued. He was an Olympic fencer as a young man, became an investment banker who made his name (and fortune) with the Chrysler restructuring before moving on to start his own highly successful boutique investment bank. In between, he learnt to play the cello in midlife and became a concert level cellist. In his role as the honorary chair of trustees of a failing Kennedy Center for the Arts, he not only restored the Center to financial health but also enhanced its position as the center of the U.S. capital's cultural establishment.

It took only a matter of days for Jim to establish himself as a commanding figure in the bank. Short in stature, somewhat stooped because of recurring back problems, he nonetheless would fill the room with his presence. He was extraordinarily charismatic person, with an effortless and almost relentless charm. The saying often used was, "that he could sell refrigerators to an

Eskimo." But he also had a keen intellect and could pick up - and pick holes in - matters with which he had no previous familiarity and which he was being presented with for the first time. Business like with his subordinates, he asked relentlessly probing questions. He was quick to give credit where it was due, inside the room-- but outside the bank, was not shy in taking credit for himself. He rarely raised his voice, but sloppy staff work or flawed reasoning usually met with a scathing rebuke.

After McNamara, Jim was probably the first president who combined a vision for development assistance with harnessing the engine of the bank to achieve that vision. His early rallying cry of "fighting poverty with passion and professionalism" resonated with staff. His encouragement to come up with ideas, innovation and to think outside-the-box energized the bank. Perhaps because of his investment banking background, he also, at least at the beginning, felt that the drivers of his reinvigorated bank would be the younger staff, and that the more seasoned and experienced staff were too set in their ways to do things differently. To his credit, he soon evolved to a more nuanced understanding on the role of bank staff.

He came with a clear view that the bank had lost its relevance and its standing on the global stage. He commissioned the first global survey on perceptions of the World Bank. The findings were sobering, based on which he significantly revamped the bank's communications and branding efforts. He relentlessly engaged with stakeholders, including developing relationships with non-traditional groups and organizations who could leverage and amplify the work of the Bank. And he encouraged staff to do the same, and tried to inculcate a culture of listening and being responsive to stakeholders. This was to improve the bank's reputation, which was one of arrogance. He also decentralized a significant number of staff positions to the field to further the objective of getting the bank closer to the client.

Much was achieved under Jim's watch, not only in changing mindsets and management approaches, but also in terms of shaping the development agenda - the focus on poverty, putting the "cancer of corruption" firmly on the development agenda, the Highly Indebted Poor Country (HIPC) initiative, creating the "knowledge bank", focus on environment, gender, youth and people with disabilities. In all these initiatives, he was not a passive enabler, but a real driver of change, often over the objections of the staff. He deserves to be remembered with admiration, respect and, for those who knew him well, affection.

## Feedback from the Readers...

FEEDBACK FROM READERS ON VOLUME 2, NUMBER 2, SUMMER 2020  
ISSUE ON PROFESSOR REHMAN SOBHAN

1. Thank you Munir. Good to hear from you. I'll definitely read the materials you sent. This is definitely a great initiative. Best.

Professor M. Yunus

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2. Thanks, Munir for sharing this precious Newsletter. I will read it carefully.

Dr. Atiur Rahman,  
Former Governor, Bangladesh Bank

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3. Dear Professor Munir Quddus,

Thanks for sharing this issue of BDI Development Newsletter that contains Prof Rehman Sobhan's interview and resume of his illustrious life. I got Prof. Sobhan as my teacher at Dhaka University and later, during my time at the UN, as a resource person in numerous development policy related initiatives that I and my team organized. Needless to say, we all immensely benefited from Prof. Sobhan's wisdom and forward looking thoughts and ideas. May Allah keep Prof. Sobhan in good health and give him a long life - there are not too many of his calibre and integrity left in Bangladesh anymore.

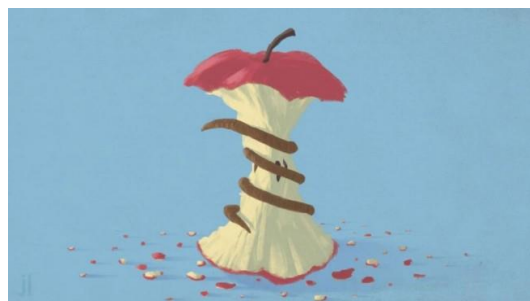
Best regards.

Adil Khan

## Political contents of corruption and anti-corruption in Bangladesh

<https://www.thedailystar.net/opinion/news/political-contents-corruption-and-anti-corruption-bangladesh-1960161>

September 13, 2020



**Iftekaruzzaman**

Executive Director, Transparency International Bangladesh.

The coronavirus pandemic has been converted into a festival of corruption in the health sector in Bangladesh. Crises like these do increase the risk of corruption everywhere in the world. However, there is perhaps no other country where corruption has been found to be as awkwardly pervasive as in Bangladesh.

The outrageous nature and dimensions of corruption of contractors and suppliers with real or manipulated political linkages, in collusion with a section of public officials in responsible positions, have been shocking for many. The scandal around N-95 mask supplies or fraudsters like Regent or JKG or the donor-funded Covid-19 Emergency Response and Pandemic Preparedness Project are but a few examples.

Note: Please click on the link to read the rest of the article.

## TI Corruption Index 2019: Bangladesh moves three notches up

<https://www.thedailystar.net/backpage/news/ti-corruption-index-2019-bangladesh-moves-three-notches-1858261>

*Only fares better than Afghanistan in South Asia; impunity, rare action on high-profile graft among possible major obstacles*, January 24, 2020



Bangladesh has moved three notches up but scored the same on Transparency International's Corruption Perceptions Index (CPI), which indicates the government needs to strengthen measures to combat graft.

The CPI 2019 also shows that the country's position among the South Asian nations remained the same compared to the previous year: second lowest and ahead of war-torn Afghanistan. Besides, Bangladesh ranks fourth lowest among 31 Asia-Pacific countries named on the index, just ahead of Cambodia, Afghanistan and North Korea.

The TI's flagship report described Bangladesh's performance as "mixed", saying the rise in ranking was "insignificant," and it left "no scope for complaisance."

Note: Please click on the link to read the rest of the article.



## COVID-19 ‘Immunity’ in Dhaka Slums: Do Genes Matter?

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3762870](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3762870)

January 9, 2021

21 Pages Posted: 15 Jan 2021

Syed Abul Basher; Jobaida Behtarin; Mohammad Riad Uddin; Salim Rashid

### **Abstract**

After coronavirus spread beyond China, many predicted that the virus would wreak havoc on low-income countries, especially those with overcrowded slums. And yet, nine months after the outbreak, the COVID-19 death toll in several of the world’s biggest slums is very low. This paper asks the question: Do Bangladeshi slum dwellers possess some form of immunity to the effects of COVID-19? To shed light on the problem, we undertook two rounds of a survey in three of Dhaka city's largest slums before and after a super spreader event, the Eid-al-Adha festival. The findings suggest very low or negligible COVID-19 fatality among slum households. We propose four explanations of the seeming immunity to coronavirus among Dhaka’s slum dwellers.

Note: Please click on the link to read the rest of the article.