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Business

South Asia economies grow despite lack of good governance

Seminar told

[Star Business Report](#)

South Asia's economies are growing despite obstacles like poor infrastructure, inadequate foreign investment and lack of good governance, noted economist Professor Wahiduddin Mahmud has said, adding that many people consider this growth as a miracle.

Dwelling on Bangladesh economy, he said the country's economic fate depends on whether people's expectation is finally materialised or vested interest group continues to rule people.

He also lamented that political parties have so far failed to fulfill people's expectations.

"Ruling political parties in South Asia, including Bangladesh, have a tendency to patronise their cadres with numerous benefits. But there is a limit. People do not tolerate such things when it goes beyond the limit," Wahiduddin Mahmud said.

He was speaking at a seminar on "Understanding growth and poverty: Is there a South Asian model", organised by The Institute of Microfinance at the PKSF auditorium in Dhaka.

The noted economist said the country is under the rule of a caretaker government because political parties have failed to render the desired services to the people.

He said poor governance of the two major political parties in their 15 years regime exhausted people's patience.

Abhijit Sen, member, planning commission, Government of India, presided over the seminar, while Siddiq R Osmani, a professor at the University of Ulster, UK, presented a paper titled 'Explaining Growth in South Asia.' Baqui Khalily, executive director of Institute of Microfinance, gave vote of thanks.

Prof Mahmud said although South Asian countries have their own model of democracy, they share a common trait every ruling party in their respective countries patronise their party cadres illegally.

"People in Bangladesh have a pro-democratic and pro-development mindset. Also their tolerance is not unbounded," he said, adding that the parties lost their credibility because of their inability to function in a democratic and transparent manner.

Wahiduddin Mahmud said the country's economic fate would depend on when and how the politics turn in next several months.

In his paper, Prof Osmani categorised the South Asia's economic growth pattern into three phases the early phase between 1952-67, the middle (1968-81) and the final phase that has been continuing since 1982.

He observed that the region witnessed growth in the first and last phases, but had a dismal decade in the middle phase, for which the Indian planning commission member blamed undue political and military intervention and oil and food price hike.

Abhijit Sen said the South Asia has the lowest growth in education and physical infrastructure, which are needed for accelerating the economic growth. He said the region is poorly linked in trade. He also called 'Safta' a so-called treaty.

Professor Wahiduddin Mahmud said any South Asian country needs 7 percent economic growth at a stretch for 25 years to become a middle-income country.

Only 13 countries have been able to become middle-income country so far. Of which, 10 represent East Asian nations, he added.