

Democratization of the Economy in Bangladesh

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What is economic democracy?

Economic democracy is the idea that democracy belongs not just in politics, but in the economy as well.

Examples:

- Worker cooperatives in Spain, Italy, India
- German Works Council (Betriebsrat)
- Participatory budgeting in Brazil
- Bangladesh Milk Producers' Cooperative Union Limited (BMPCUL) or Milk Vita in Bangladesh.

Why economic democracy?

- The core idea of economic democracy is that wherever there is power there should be accountability.
- Economic power is exercised in
 - **workplaces** where bosses and managers exercise significant power over workers
 - **financial organizations** where banks and money markets exercise significant power through their control over lending
 - **investment** where businesses exercise significant power over the nation's citizens through their ability to invest or divest causing the economy to grow or falter

Core components of economic democracy

- Workers' or Producers' self-management
(Are we including NGO, MFI groups?)
- The market
- Social control of investment: Investment channeled through public investment banks
- It can spread across many spheres.....and I will briefly discuss the issue of the commons....

What are Commons?

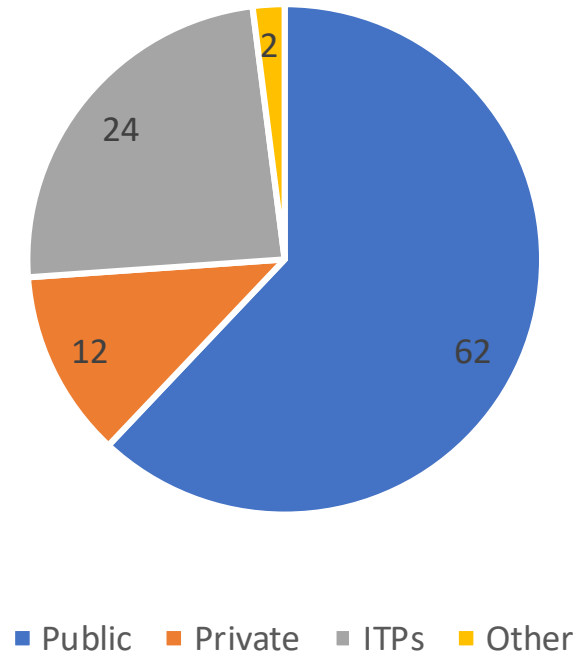
- Commons are a particular type of institutional arrangement for governing the use and disposition of resources. - [Yochai Benkler](#)
- Open access commons: sidewalks, streets, highways, air
- Closed access commons grazing grounds, fisheries, forestry etc.

Hardin's Tragedy of the Commons

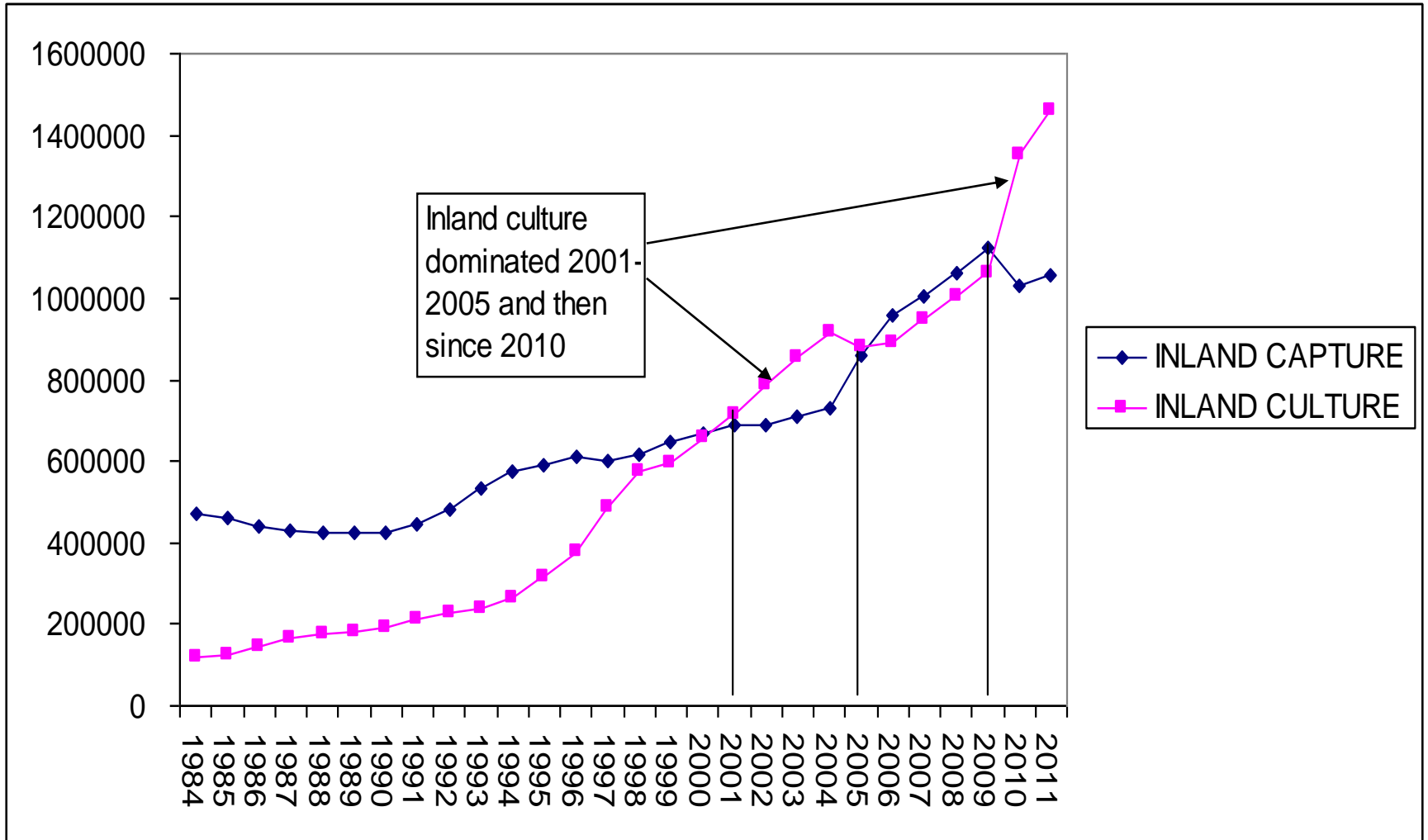
- “Freedom in a commons brings ruin to all.” – Hardin (self-interest ruins) Hardin's solution **Privatize or Nationalize!**
- Ostrom and others showed there are many other ways of avoiding the tragedy, public or private ownerships are some ways and not necessarily the best ways.
- We will talk about commons in Bangladesh: fisheries and forestry to evaluate the experience of participation by the actual users.

Commons in Forest Resources in Bangladesh

Property Rights in Bangladesh Forests 2005



CPR Trends in Inland Fisheries



Common Property Resources (CPRs) in Bangladesh

Land, water and forest-based CPRs in Bangladesh

- 18% of income originates from use of CPRs (3% forests, 1% land, 14% water-based CPRs)
- Poverty higher amongst users of CPR (45%) as compared to non-users (29%)
- Motive of CPR use is subsistence (88% of the households)
- CPR areas have been gradually decreasing to the extent of 1.5% to 4.4% (1970-2012) because of encroachment, settlement, infrastructure, siltation, pollution, etc.

Factors behind declining CPR Trends in Forest Resources

- Jhum cultivation (slash and burn) is in threat
- Productivity declined and rent dissipated, have become unsustainable economically and environmentally
- VCF (village common forests) cover 202 ha of land in CHT, managed by the ITPs, no jhuming allowed, found well-stocked
- There are signs of VCF degrading. Limited success in community rights establishment, CBFM (social forestry, community forestry, participatory forestry, co-management, agro-forestry) is less effective

Factors behind declining CPR Trends in Fisheries Resources

Due to users

- Overfishing
- Destruction of immature fish (ova, larvae, breeding fish)
- Use of illegal gears

Due to non-users

- Governance, regulation & management
- Contraction of fishing grounds (FCDI projects)
- Pollution
- Urbanization
- Environmental and Climate Change

Generalizing experience from managing CPRs in Bangladesh

- Lack of policy consistency regarding how to manage them
- Governance (private enforcement of property rights/wrongs)
- External factors played a major role than internal factors. (demographic, resource degradation etc.)
- There are success stories but we need to decide on the path to take!

The Panel

- Dr. Mirza Hassan: Conceptual and empirical reflections on the democratization of the economy: global and Bangladesh experience.
- Dr. Zafarullah Chowdhury will reflect on the experiences of Gonoshasthaya Kendra and the drug policy of the 80s and his ideas about future progressive health and drug policy in Bangladesh.
- Dr Hameeda Hossain will reflect on the historical experiences of establishing and functioning of artisan cooperative in Bangladesh-KARIKA .
- Professor Rehman Sobhan will provide broader perspective on the experiences of cooperative movement in Bangladesh and South Asia and reflect on the possibilities of workers ownership/share in industries and participation in management in Bangladesh. He will also chair the session.