

Globalization and Matrix of Economic Transformation in Peripheral Economy: Bangladesh Experience

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The term 'Globalization' has many facets. While it has the ability to indicate certain recent phenomena it also hides certain relations and conflicts within World economic/political system/s. It appears that the all embracing term has replaced, especially in the recent years, many of the earlier economic and political discourses. It is fair to say that the ideas, programs, initiatives, planning and monitoring under the current phase of Globalization have usurped most of the earlier development thinking in policy-making, both within the State and Multilateral global agencies.

There are two major interpretations of the term Globalization, which appear to conflict with, and even oppose, one another. The first, and the mainstream view, takes globalization as a rational outcome of global economic 'progress'. This view describes it as a process of (i) 'expansion of free trade' (ii) 'deeper integration of all economies of the world' (iii) 'more communication amongst different regions' (iv) 'faster diffusion of knowledge' (v) 'increasing mobility of capital and labor' (vi) 'increasing competition' and (vii) 'emergence of global economy--global market'. It believes there is no alternative (TINA) to it.

The second, and the dissenting view, gives more emphasis to the power and ownership aspects of the globalization process. It looks at the process as being increasingly dominated by Multinational Corporations (MNC) and Global Institutions (GI) like the World Bank (WB), International Monetary Fund (IMF), and World Trade Organization (WTO). According to this view, the present globalization process is the manifestation of the monopolization of power by large corporate entities, which are mainly centered in the North. It also argues that the worldwide expansion of the capitalist drive for profit has endangered the environment, people's lives, local authority, biodiversity as well as the diversity of culture. It also insists that an alternative to the present globalization process is

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there-- a real and peoples' globalization is only possible by coming out of global power.

This paper argues that the globalization process, embraces elements of both views. It is essentially capitalism, which is advancing on a world scale and is integrating peripheral economies into a single global system. In the last decade, when the globalization got the coin, world trade expanded, all economies got more integrated into one global economy, information and communication system developed at a faster rate because of rapid development of information technology, opportunity for greater diffusion of knowledge emerged, and capital became much more mobile. These facts support the mainstream version of globalization. But at the same time, one must not ignore the fact that the mobility of labor could not take place alongwith that of capital, and that competition, in most of the cases, is increasingly being replaced by monopoly or a near monopoly situation. Global economy has become more a place of big corporate bodies of G-7 countries. Institutions like the World Bank, International Monetary Fund and the World Trade Organization have gained unprecedented authority over most of the nation states. All the processes of integration of peripheral economies into global economy have not been taking place through an invisible hand, i.e., free market process. Moreover, the fact is increasingly coming into surface that the present globalization process, directed by corporate bodies and motivated by profit, has endangered environment, people's lives, common property, local authority, biodiversity as well as the diversity of culture.

In this paper, an attempt has been made to understand the integration process of Bangladesh economy, a peripheral one in the global capitalist system, with the global economy. Along with historical overview of the country, quantitative and qualitative changes in different sectors of the country are analyzed in the paper to identify the main trends of the economy as well as the society.

Legacy of Bangladesh Economy and Polity

Bangladesh earned its status as an independent country through an armed struggle in 1971. The road map to Bangladesh's emergence as a Nation State began with the partitioning of British India into India and Pakistan in 1947. At that time, Pakistan consisted of two geographically separate territories. The Eastern section which later became Bangladesh, had been experiencing regional and ethnic discrimination in different forms. Pakistan soon after independence came under military autocracy, that had been all along ruled by big propertied oligarchy centered in West Pakistan.

Pakistan from the very beginning had been highly dependent on military-civil bureaucracy. Instability in civil governments and perpetual military rule was a reflection of that. It had also consistent patron-client relationship with political and economic centers of global capitalist system. During the mid 20th century, Pakistan became a test laboratory for the western development theories that emerged during the period of swift decolonisation. Its client position was defined by the Pakistan-US military pact and by a long and decisive involvement of US consultants in shaping Pakistan's planning, development and institutions.

Although formal military rule started in Pakistan in 1958, the military had exerted power from the country's beginning because of its fragile civil rule and institutions. Martial law, therefore, "was brought about by men who were already participants in the existing political system and who had institutional bases of power within that system. Long before the coup, the military had been working as a silent partner in the civil-military bureaucratic coalition that held the key decision-making power in the country." (Jahan, 1972, 52)

This concentration of political power was well suited with the concentration of economic power. By 1968, distribution of resources showed a highly skewed picture. According to the then chief economist of Pakistan Planning Commission, "66% of all industrial profits, 97% of the insurance funds, and 80% of the banks in the country were controlled by some twenty families."¹ And all these twenty families were from West Pakistan.

Economic disparities and regional and ethnic discrimination had given birth to long democratic struggle in the then East Pakistan. That struggles turned into a nine month long decisive armed struggle in 1971 when Pakistan military junta started barbaric military operation including genocide, rape, and loot against people here. The junta took this path to stop the possibility of transferring power to the newly elected parliament, majority of which was from the eastern part, now Bangladesh.

Integration with the Global Economy: Factors and Actors

After independence, despite continuous promise and rhetoric, Bangladesh failed to alter the power matrix in social and economic fields that had prevailed in the Pakistan period. The structures and hierarchies of civil and military institutions, which had been created during the British rule, were kept intact in Bangladesh; similarly, the legal and judicial systems remained untouched; and the land

¹ Mahbub ul Haq, Chief Economist, Pakistan Planning Commission, quoted in Jahan (1972), p. 60.

administration, despite land reform measures taken in 1972 and 1984, remained unchanged until today.

During the last three decades, Bangladesh has experienced different forms of governments: civil and military, parliamentary and presidential. Emergency was declared twice (1974 and 1997), Martial Law was promulgated twice (1975 and 1982). During the period two Presidents were killed. Since 1991, elected governments have been ruling the country. A form of non-party caretaker government was introduced in 1991 to make the elections acceptable to all.

Despite the changes in political power and governance and the bloody conflicts among groups wishing to govern, the economic front experienced a continuity of policy and ideology. One of the major factors behind this continuity could be the increasing authority of the Global Institutions (GI) that have been operating in Bangladesh and their decisive involvement in formulating policies and monitoring implementation of these policies. These institutions include the World Bank (WB), International Monetary Fund (IMF), Asian Development Bank (ADB), United Nations Development Program (UNDP), and the United States Agency for International Aid (USAID).

Initial stage

The process of integrating into global capitalism cannot be called an absolutely recent phenomenon in Bangladesh. Bangladesh economy, like other peripheral economies, has been in the process of integration with the world economy for long. During the last few decades, specially since mid fifties the integration process got momentum with the introduction of 'foreign aid' based development projects and huge intervention in agriculture and water resource management under the banner of 'green revolution' in the sixties (see Table 1 for a summary of historical records).

After becoming an independent State, Bangladesh experienced a massive increase in 'foreign aid' inflow and related projects. Soon after independence, 'Bangladesh aid consortium' was formed with the World Bank as its head 'on the same lines as the Pakistan consortium' (Sobhan, 1982). From a review of thirty years of the Bank's assessment of government's policies, its suggestions, and its policy recommendations to the government. it is clear that the Bank has been consistent in its policy prescription and ideological framework. But it is interesting to note that the Bank always has worked to sell its agenda by keeping government in good humour, always supporting the government's political agenda, no matter what the political philosophies of successive governments were

(Muhammad, 2003). Such diplomacy proved to be an effective sales management technique for global institutions.

World Bank's support and agenda

A review of some documents of the World Bank should be instructive in this regard. In Bangladesh's First Five Year Plan (1973-78) document, which was explicitly biased towards public sector growth, Bank's comment was very appreciative! For instance, it termed the 'socialist' Plan 'a remarkable document' and 'analytically sophisticated' (WB, 1974). In May 1975, after the establishment of one party presidential rule, the Bank seemed to be 'happy'. It argued favourably for the political change. It asserted that "recent political changes have strengthened the hand of the Government in its attempts to put down lawlessness, smuggling, hoarding, and blackmarketeering." They were satisfied because "slum clearance in Dacca has gone on apace". At the same time, they had issued 'mild threats'. The Bank did not hesitate to say that "this report indicates a number of economic reforms which Bangladesh must consider urgently". They reminded the government that "... Bangladesh would need about US\$ 1.2 billion of disbursements of external aid in 1975/76. The willingness of donors to continue providing aid in generous amounts to Bangladesh will no doubt depend on its ability to demonstrate, by the implementation of satisfactory economic policies and measures..."(WB, 1975).

Within three months of publishing the above report a bloody political changeover took place. The President was killed and Bangladesh was placed under martial law. Again, the Bank seemed appreciative of the new government. The reasons given were the same as those given as supporting statements for the ousted government. It included "serious efforts" for law and order situation. It also stated that, "on the industrial side, capacity utilization has improved in a number of sectors, as a result of a more liberal import policy and an enhanced supply of raw material and spares...There has been some movement in the direction of a more market oriented economy". It also expressed optimism about the continuity of "reform program begun in May 1975, with the devaluation of the Taka and the agreement with the IMF". And finally it supported the new government by including assurances that, "the new government confirmed that it intended to introduce such further economic reforms as subsidy reduction, agricultural taxation, and import liberalization" (WB, 1976). The process continued and accordingly different policies were born as national policies to echo the global formulation of the global institutions.

Therefore it is not surprising that although the Structural Adjustment Program (SAP) sponsored by the World Bank (WB) and the International Monetary Fund (IMF) appeared in the 1980s, the programs it covered were being prescribed by these institutions much earlier. The Structural Adjustment Programme, in fact, has brought all of their earlier 'reform' programs in a single fold.

From Krug to PRSP

Since the early 70s international bodies including the World Bank has been emphasizing poverty related programs. Women related programs got attention from UN bodies since mid 70s. Funding in these areas started flowing which in many ways influenced or guided government programs, as did the emergence and quick growth of NGOs. Perhaps, GATT agreement in 1995 was the single most important document that created a global foundation of integrating all economies.

Table 1 : Programs initiated in Bangladesh by global institutions in different periods

Period	programs initiated	significance
1950s	Foreign aid, education and training program, Krug mission and water resource projects.	Structures on rivers, canals, and khals. New generation of experts, skilled manpower dependent on aid-consultancy.
1960s	Green Revolution	Mono crop and increasing Market orientation of agriculture
1970s	Poverty Alleviation Programs, NGOs.	New institutions and civil society compatible with the philosophy of GIs.
1980s	Structural Adjustment Program (SAP)	De-industrialization, privatization, trade liberalization and expansion of service sector.
1990s	GATT Agreement	Opening up common properties to the profit making activities.
2001 and after	Poverty Reduction Strategy paper (PRSP)	Sugar coated Structural Adjustment Program

As a whole, the programs sponsored by global institutions like the World Bank, IMF etc that have played a key role in accelerating the process of integrating peripheral economies including Bangladesh with the centre economies include: (i) the 'Green' Revolution (ii) Structural Adjustment Program (iii) 'Poverty Alleviation' Programs (iv) GATT agreement (v) Foreign 'aid' supported trade,

technical assistance, reform, consultancy, training and education. The current Poverty Reduction Strategy Paper (PRSP) is the latest in the series². These programmes also have played crucial role in determining the shape and direction of the economy and creating a strong support base amongst ruling classes.

The direction of the Economy: polarization, decomposition and new formation During the last three decades, the political economy of Bangladesh has had fundamental continuities while experiencing several changes. Both the changes and the continuities are important to the understanding of the internal dynamics and external effects influencing Bangladesh. As these also show the shaping of the national economy, some selected areas are briefly discussed below.

Transition from an Agricultural to Service Economy

Until immediately after independence, Bangladesh's economy was characterized as an agrarian based one. Agriculture accounted for the largest share of both the labour force and of GDP. However, by the end of the century, Bangladesh ceased to have an agriculturally based economy. Agriculture's share of the GDP came down from nearly 60% to 25% during this period (GOB, 2004). But on the other pole manufacturing has not captured the dominant position either. Service sector, as a whole, has emerged as the single largest sector within GDP, about 50 per cent. The movement of an economy from agriculture to service bypassing or degenerating manufacturing may not go with the text book notion of development but this is very significant on study of a peripheral economy like Bangladesh.

Manufacturing: Upward and Downward

There had been a traditional existence of a large number of cottage and small industries in Bangladesh. But the manufacturing sector was dominated, in terms of output proportion, by large manufacturing enterprises and public sector since 1972. This public sector emerged out of large and medium enterprises abandoned by the Pakistani big business houses after independence of Bangladesh. During the last three decades, dominated by the actions of structural adjustment programme (SAP), the proportionate share of manufacturing in GDP has marked little change. According to the old estimates of GDP manufacturing was 7.90 percent in 1972-73, it increased to 8.47 percent in 2003, less than 1 per cent increase in thirty years. With the new estimates, figures go upward but the trend remains the same. According to the new estimates, the share of manufacturing in

² For detailed analysis of these programmes and the roles of global institutions in Bangladesh see (Muhammad, 2003).

GDP was 15.43 percent about in 1995/96, it decreased to 14.68 percent in 2000 and again slightly increased to 15.97 in 2003 (GOB, 2001 and 2004). If we compare share of manufacturing from the early 80s with the figure in 2003, then it would show a clear de-industrialization (Muhammad et al, 2003). Figures in 2004 show little change.

Table 2 reveals different trends of growth for different types of industries. A positive growth is seen for export-oriented ones and construction while a negative growth is there for old and heavy industries. Since the early 80s, many of old enterprises, public and private, were closed or downsized and gradually replaced by the export oriented ones.³ Due to closure of many large-scale factories and

Table 2 : Ups and Downs within Manufacturing Sector

Growth Pole	Industries
Positive growth, High range (more than 10%)	Cement, MS Rod
Positive growth, Low range (less than 10%)	Garments, Tea, Beverage, Soap and detergent Leather and leather products.
Negative growth, High range	Jute Textiles, Fertilizer
Negative growth, Low range	Sugar, Paper, Iron & Steel

sickness of medium and small enterprises, the number of industrial workforce shrank despite new entry in export oriented garments and EPZs.

Expansion of Trade

Bangladesh's external trade has increased manifold. While total trade was 20.65% of GDP in 1973 it increased to 30.77% of GDP in 2001(GOB, 2004). Both import and export have expanded, although the trade gap remains high as the volume of imports has increased faster than that of exports. The increase in imports took place consistently with reform measures to liberalize imports, i.e., lowering import duty and removing tariff and non-tariff barriers. While in 1992/93 the

³ Governments have consistently been expanding incentives for export-oriented industries and foreign investment since 1978. For export oriented industries, incentives include: duty free import of capital machinery by 100 percent export oriented industries outside the EPZs, creation of an export promotion fund (EPF) for product development and market promotion of new items, exemption from payment of 50 percent of income tax on income derived from export, exemption from payment of import license fees by exporters who import raw materials exclusively for export production, exporters allowed to retain up to 10 percent of earnings for general business purposes, rising to 15-20 percent soon (see details on Manufacturing sector in Muhammad et al, 2003)

highest import duty was 300%, it has since been reduced to 30% in 2004. The average import duty came down to 15.65% (GOB, 2004).

While Jute and jute goods dominated the export trade in early 70s, ready-made garments have dominated since the late 80s, captured more than 60%. Although major export items shifted from agricultural goods to processed goods, the current export items (e.g., ready-made garments) now are highly import dependent (RMG) has only 25% value added components.

Women in Labour Market

Women participation in market oriented and income-generating activities were very low in the early 70s. Women in Bangladesh traditionally were active in both cost saving and income generating activities, i.e., in agri- processing, handicrafts, gardening, poultry and cattle care, management of household, preparing goods for marketing by male members etc. However the activities of NGOs including microcredit, during the last two decades have actually added inputs to the traditional activities of women and small scale businesses of men.

The participation of women in economic activities outside household has been expanding since early 80s. Both push and pull factors contributed in this. On the one hand, family level income has often faced severe crisis due to decline in real wage and stagnation in the demand for male labour. Such crises have pushed female members of the family to work outside the family domain. Moreover, there are many instances when a female member is forced to work outside household after the male head left facing economic crisis. On the other hand, export-oriented industries (eg., garments sector, shrimp farming) and other export oriented activities, informal sector and growing urban demand for different types of cottage goods and jobs constituted a demand for women labourers (Muhammad, 1998, 2004).

Rural Non-Farm Activity

Landless labourers constitute a vast majority of the population in rural Bangladesh. Landlessness increased from 33% in 1972 to nearly 60% in 2000 (BBS, 2002). Given this supply agricultural employment is not capable of accommodating all, or even a majority, of the people. There are months when demand for agricultural labour approaches zero. Non-farm activity has always been a part of rural life, but population involved in such activities was very small in number. Moreover, non-farm activity remained a family based traditional job. Since 1980, non-farm employment has grown very fast. The jobs include: petty trade, small shop, transports like rickshaw and van, and wage labor outside agriculture.

Increase in Market Orientation

Although rural works program in the sixties contributed to add road connection from countryside to urban areas that paved the way to expand market and market oriented activities, market oriented activities remained modest until late seventies. Since then these activities, i.e., production and processing for market and profit, grew fast. This happened not only in crop production, but spread to other areas as a result of institutional, financial and other supports. Commercial production has increased significantly in Poultry, Dairy and Fisheries since early 80s. Export oriented production of Shrimp expanded. NGO microcredit contributed significantly to market oriented activities of low income rural people.⁴

From Multicrop to Monocrop

Bangladesh had a rich diversity of crops. For example, there were hundreds of varieties of rice grown. This too has changed. In the process of 'green revolution' IRRI became the maincrop and effectively became monocrop in agricultural landscape. Expansion of the use of monocrop has also been linked to the increasing market orientation for crop production, fertilizer-irrigation equipment marketing, and expansion of the credit market.

Urban Informal Sector

In the early 70s, the service sector consisted of a small, informal sector that was insignificant in size and employment. Urbanization was low. But urban migration from the countryside has grown since the early 80s. The influx of people could not be absorbed in the manufacturing sector, since it was in the process of shrinking employment opportunities. So, they in an attempt to find the way out found their livelihood in self-employment and informal sector.

Communication

Although rail and water transport, traditional modes of transport in this country, remain neglected and stagnant till today, road transport developed rapidly since the mid 80s. Telecommunication also had a breakthrough in early 90s by linking all thanas. By late 90s a good portion of rural areas was brought under mobile phone and satellite TV network. The expansion of this communication network helped fuel demands for many other consumer items. In the rural areas, many imported consumer items are now readily available.

⁴ Main focus of NGO activities has been summarized by one official of BRAC, leading NGO in Bangladesh: 'We link the poor to the market'. (roundtable, 1997)

Foreign Direct Investment

In Bangladesh Foreign Direct Investment (FDI) had been very small and limited in some selected areas till early 90s. Governments have consistently been expanding incentives for foreign investment. These include: removing the ceiling on foreign equity participation; allowing the repatriation of invested capital, profit, and dividends; allowing foreign investors to obtain working capital from local banks; removing the obligation to sell shares through public issue irrespective of the amount of paid-up capital; providing tax-exemption to royalties, technical know-how and technical assistance fees; and providing tax exemption on the interest on foreign loans and on capital gains from the transfer of shares.

However, since 1993, foreign direct investment has been increasing. It got a boost with establishing Karnaphuli Fertilizer Company (KAFCO). Since early 90s interests of Multinational Corporations (MNCs) for investment in gas, electricity, port, hybrid, telecommunication became visible, and new contracts were being signed in gas, telecommunication and electricity sectors. The fields of these investments were long prepared by major global institutions. Foreign Direct Investment (FDI) in these cases is proving to be burdensome on the economy⁵.

NGO: New corporate Body

The growth of Non-Government Organizations (NGOs) in Bangladesh has been spectacular. NGO model of development in Bangladesh, which has included group formation, the target group approach, participatory development, and microcredit, has added a new dimension to development thinking. The model is treated by global institutions as a safety net for the people who are the victims of other development measures prescribed by the same institutions. In Bangladesh, “NGOs” means not merely a non-governmental organization. The term means a type of development agency that is funded by foreign agencies. Horizontal expansion as well as qualitative changes in its composition characterized the last fifteen years of their activities. Initially, NGOs appeared with a promise to: work on social issues, struggle against exploitation and discrimination, work outside the domain or influence of local or national power structure.⁶ Since early 80s micro credit operations started getting priority among some NGOs and by early 90s it became the main focus of most of the sectors.

⁵ See analysis of FDI in gas sector, Muhammad (2004) and for the assessment of the World Bank on this (WB 1999)

⁶ See discussion on the NGO model working in Bangladesh and its shifts overtime: (Muhammad, 2000)

In the process NGOs became polarized between the few very big NGOs and many small ones where the small NGOs have been reduced to subcontractors of the big. The big NGOs have become corporate bodies.⁷ Significant number of NGOs led by big ones like BRAC, PROSHIKA are now involved in several business projects. Big NGOs are also in the process of forming alliances with multinational corporations. To give a few examples: BRAC works with UNOCAL and Monsanto; the Grameen Bank⁸, which initially intended to work with Monsanto but failed due to resistance, is now intensely working with multinational telecommunication companies and is involved also with shrimp cultivation. It should be noted that the involvement of NGOs in business activities became a matter of discussion years before.⁹

Criminal Economy

The share of 'black'¹⁰ economic activities in the economy is yet to be accurately estimated. However, there are some rough approximations. United Nations Development Programme (UNDP) finds it to be around 30 per cent of the country's GDP. But a top leader of the business community found it to be more than 50 per cent of GDP.¹¹ This particular economy encompasses bribery, crime, the arms trade, production of arms, the employment of professional criminals, corruption and grabbing, illegal commissions, leakage from different government projects, specially 'foreign aided' ones. Governments of Bangladesh have displayed very lenient attitude towards both this stolen money or *chora taka* and

⁷ World Bank's recommendations are noteworthy here. It said, "Integrate NGOs with commercial finance markets by: a) developing an appropriate regulatory framework for the financial operations of the NGO sector; (b) encouraging large NGOs to establish themselves as banks; (c) encouraging 'wholesaling' of credit to established NGOs; and (d) using smaller NGOs as brokers to mobilize self-help savings groups." (WB, 1996)

⁸ Grameen Bank is not a registered NGO but it can be bracketed with NGOs since it works in NGO model.

⁹ Chairman of NBR stated in 1997 that the NGOs that establish factories and run businesses have to be taxed, otherwise they would gain an unfair advantage over other firms in the same industry. The chairman of a business group said that, in industries owned by NGOs, the cost of loans is zero as opposed to the private sector who pay around 25 per cent to the banks. (roundtable, 1997)

¹⁰ Traditionally 'Black' economy is generally used to denote illegal, criminal and hidden economic activity. The use of black to denote bad reflects a racist attitude, Therefore, this usage should be changed.

¹¹ This was stated by the President of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), TV interview, Ekushey, June 5, 2002

the Mafia lords of the illegal economy who, in fact, now also dominate the political arena. The rise of the super rich and Mafia lords and their domination over policy makers make the task easy for the global institutions to sell their agenda without any resistance from the ruling elite.

From Poverty to Poverty and more inequality

Although Poverty alleviation has always been the ‘top objective’ of successive governments and global institutions, and although foreign aided ‘poverty alleviation’ projects are in abundance, the poverty scenario has hardly changed. The number of people living under income poverty line increased from 50 million in 1972 to 68 million in 2003. From 1990/91, budgetary allocation reduction for poverty increased more than 700 per cent and GDP increased by nearly 50 percent but poverty ratio in this period increased from 47.5 per cent to 49.8 per cent (GOB, 2004).¹² On the other hand, inequality has also increased during this period. In 1983/84, lowest 5 per cent of the population held 1.17 per cent of national income, it came down to 0.67 per cent in 2000. On the other hand the share for the highest 5 percent, increased from 18.30 percent, to 30.66 percent of national income during the same period. (GOB, 2004).

Class Composition

At the time of independence, Bangladesh’s society, both rural and urban, was mostly composed of small owners: petty traders, low and middle-income professionals, small and medium farmers and, small entrepreneurs. Except large farmers and *jotedars*, big propertied class based on industry or on trade was almost non-existent. That societal composition has radically changed during the last three decades. Big propertied multimillionaires have grown in number to thousands in this period. New occupations related to service sector emerged. However, the super rich class has either little or negative relations with the growth of manufacturing (Siddiqui, 1995).

In rural areas, business, not land have become the determinant of one’s the economic position. The big propertied classes in the rural area, therefore, are those who alongwith landownership involved with business of different kind.

In rural areas landless people have grown in number and proportion. As a class, they emerged as a group of single majority of the population. A large segment of

¹² The last figure 50 percent in 2002 is found from Prime Minieter’s statement, May 2002.

this, however, has been delinked from farm work. Migration to urban areas happened mostly from this group.

While industrial labour pool shrank in size, new workers changed its gender composition. In addition to that, the growth of the informal sector gave rise to the floating labourer who received a lower wage than did the industrial workers.¹³

Overall direction

Therefore, after its first three decades, we find Bangladesh is more marketized, more globalized, and more urbanized; and, it has a good number of super rich and increased number of uprooted poor people. We also smell the increasing role of international agencies in governance of the state, see the increasing presence of funding organizations, including NGOs. Role of the state in major policy formulation has been rather marginal. Bangladesh is now dominated by a power oligarchy. Criminal activity, including grabbing public resources, has become the main mode of capital accumulation. This has also gained strength in determining mainstream politics. This scenario has been told as ‘success’ of ‘development’ projects by the global institutions and successive governments. Table-3 summarizes the scenario.

Conclusion

In the last thirty years Bangladesh had plenty of ‘development’ projects and accumulated a huge international debt for attaining this ‘development’. During this process, a number of consultancy firms, think tanks and hundreds of NGOs emerged, and many experts in different fields were born. Different projects have provided opportunities for bureaucrats, consultants to travel to other parts of the world to have training from or consultation with experts in the centers. We now have plenty of experts, consultants and researchers in different fields who have become a part of international community hungry for the projects and blessings of the global institutions. Poverty alleviation projects gave enough affluence to

¹³ See an analysis based on the study of changing class composition (Muhammad, 2001) The study findings include emergence of new occupations that are mostly service oriented and highly vulnerable in nature. Low income and unsecured jobs have become inevitable destiny of large numbers of uprooted rural people. High income occupations were found linked with International agencies, foreign banks, NGOs, consultancy firms and big business houses. The decline of the productive sectors and the rise of a ‘super market’ and service oriented economy, linked with the mobility of international capital, has been shaping and reshaping the faces of the people in both poles, i.e., rich and poor.

Table 3 : Rise and fall scenario in Bangladesh with the "Globalization" and "Modernization" process

ON THE INCREASE	ON THE DECREASE or in CRISIS
Super Market	Manufacturing enterprises
Car Shop	Machine Factories
Hybrid seed, mechanization	Local variety, bio-diversity
Water resource projects	Safe water, water bodies
High rise building	General housing
NGOs and projects	Local/National initiative
Foreign investment in service sector , oil, gas	Foreign investment in viable manufacturing
Religious institutions	Library and science organizations
Private English medium educational institutions, including commercially expensive coaching centers and Madrasha	Public schools/colleges/universities
People under poverty line	Sustainable employment opportunity
Urban population	Real income/wage
Working women	Women's income/wage/security
Private expensive clinics, diagnostic centers	General health opportunities
Degree holder people	Scientists, Social scientists, Physicians....
Crime	Security
Rural-urban and outward migration	Capacity utilization of human & material resources
Communication technology	General scientific and technological foundation
Consumerism	Proportion of locally produced goods
Consultancy	Independent research on science, technology & social science
Criminal and hidden ('black') economy	Productive and sustainable initiatives

foreign-local consultants, bureaucrats, NGO owners, and researchers. Agriculture and Water development projects could ensure enough business to international and national construction firms, bureaucrats, consultants and agribusiness corporate bodies. Energy and power development projects ensured disastrous investments and quick high profits for the MNCs. Research and education

programs have succeeded in creating an ideological hegemony by giving birth to a lot of clone intellectuals and experts. Affluence and poverty grew parallel.

The fate of Bangladesh is now being determined by not any elected bodies, not from any initiative from within but by bureaucratic global institutions, which have authority here but do not bear any responsibility for their actions. The policies of different governments regarding industry, agriculture, education, health, trade, environment, poverty, women have only given legitimacy to the policies outlined much earlier by the bodies not accountable to the people of this land. And through these actions, jointly taken by the local governments and the global institutions, Bangladesh has been moving towards being more and more integrated into the global capitalist system. Since the local ruling class does not have strong lumpen features and cannot be characterized as productive bourgeoisie, Bangladesh is moving as a blind mindless follower, therefore standing in a very vulnerable state. This is the face of peripheral capitalism of today, a 'garbage' of capitalist centre. The lumpen ruling class has been fattened and strengthened by the support of the global institutions. They have surrendered the 'sovereignty of the state' to those and in return are given security and affluence at the expense of the people and the environment.

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