

1. PITTSBURGH CONFERENCE 1995 ON SOCIOECONOMIC DEVELOPMENT OF BANGLADESH: AUTHORS AND PAPERS

M. Faizul Islam, Ph.D.*

1.1 Introduction

A one-day international Conference on the "Socioeconomic Development of Bangladesh" was recently organized by the expatriate Bangladeshi nationals living in Western Pennsylvania. The Conference was held on August 12, 1995 at the Graduate School of Public Health Auditorium of the University of Pittsburgh, Pennsylvania, U.S.A. The members of the Bangladeshi Students Association (BSA) of the University of Pittsburgh led the organizational efforts and two other organizations, viz., Bangladesh Development Initiative (BDI) and Bangladeshi American Association of Western Pennsylvania (BAAWP) also actively participated in the undertaking. BDI took the responsibility of publishing the articles presented at the Conference in the book form. This book is comprised of nineteen articles presented at the Conference, an introduction by the editors and a foreword by Professor Nurul Islam. The book is edited by Ashraf Ali, M. Faizul Islam and Ruhul Kuddus. The present article is intended to provide an idea of the contents of this upcoming book.

1.2 Table of Contents of the Edited Book

The table of contents of this book is as follows:

Foreword by Professor Nurul Islam

1. Editors' Remarks

Economics

2. Apparel Exports from Bangladesh: Brilliant Entrepreneurship or Spurious Success? by *Munir Quddus*, Department of Economics, University of Southern Indiana, Evansville, Indiana, USA.

* Dr. M. Faizul Islam, Assistant Professor, Department of Economics, Ohio University, Saint Clairsville, Ohio, USA, is the General Secretary of BDI.

3. Population Control Policy and Working Poor Behavior: An Analysis of Incompatibility by *Mohammed Sharif*, Department of Economics, University of Rhode Island, Kingston, Rhode Island, USA.
4. The State, Governance, and the Strategy of Economic Development by *Akhtar Hossain*, Visiting Scholar, Department of Economics, University of Illinois, Urbana-Champaign, Illinois, USA and Department of Economics, University of Newcastle, Australia.
5. Bangladesh Development Administration: Need for an Institutional Change by *A. K. Abdul Momen*, Women and Children International (WCI) Inc. and Merrymack College, North Andover, Massachusetts, USA.
6. On Formalization of Bangladesh's Economy by *Ashraf Ali*, ANSYS, Inc., Houston, Pennsylvania, USA and Founder of Bangladesh Development Initiative (BDI), Pittsburgh, Pennsylvania, USA.

Political Science

7. The Centrality of the State and the Political Economy of Bangladesh by *Ahrar Ahmad*, Department of Political Science, Black Hills State University, Spearfish, South Dakota, USA.
8. The Foreign Policy of Bangladesh: From Geopolitics to Geoeconomics by *Choudhury M. Shamim*, Department of Political Science, California State University at Fullerton, Fullerton, California, USA.
9. The Exercise of Power and its Implications for the Future: A Brief Analysis of Charismatic Power of Selected Women Leaders of South Asia by *Zillur Rahman Khan*, Department of Political Science, University of Wisconsin, Oshkosh, Wisconsin, USA.

Business

10. Direct Foreign Investment in Bangladesh: Problems and Prospects by *M. Ruhul Amin*, College of Business, Bloomsburg University of Pennsylvania, Bloomsburg, Pennsylvania, USA.
11. A Descriptive Study of Stock Market in Bangladesh by *M. Faizul Islam*, Department of Economics, Ohio University, Saint Clairsville, Ohio, USA and General Secretary, Bangladesh Development Initiative (BDI), Pittsburgh, Pennsylvania, USA.
12. Industrialization and Entrepreneurship in Bangladesh Context by *Mizan-ur Rahman*, President, ETC Engineers Inc., Little Rock, Arkansas, USA.

Sociology

13. Social Impact of the Brain Drain by *Salim Rashid*, Department of Economics, University of Illinois, Urbana-Champaign, Illinois, USA.
14. Culture, Social Class and Income Control in the Lives of Women Garment Workers in Bangladesh by *Nazli Kibria*, Department of Sociology, Boston University, Boston, Massachusetts, USA.

Science and Technology

15. Private Power in Bangladesh: Prospects and Hidden Problems by *Saifur Rahman*, Department of Electrical Engineering, Virginia Polytechnic Institute and State University, Blacksburg, Virginia, USA.
16. Potential Collaborations Among Bangladeshi Scientists in North America and Their Counterparts in Bangladesh by *Sabir A. Majumder*, Sandia National Laboratory, Albuquerque, New Mexico, USA and Bangladesh Chemical and Biological Society of North America (BCBSNA), USA.
17. Technology Transfer and Biorevolution in the Third World by *Ruhul Kuddus*, Department of Molecular Genetics and Biochemistry, University of Pittsburgh School of Medicine, Pittsburgh, Pennsylvania, USA and Vice President, Bangladesh Development Initiative (BDI), Pittsburgh, Pennsylvania, USA.
18. Air Pollution in the City of Dhaka: How Long Can We Ignore? by *Bakhtier Farouk*, Department of Mechanical Engineering, Drexel University, Philadelphia, Pennsylvania, USA.
19. Bangladesh's Economy, Environment and the Farakka Barrage by *Sufian A. Khondker*, Raytheon Infrastructure Services Inc., and American Association of Bangladeshi Engineers and Architects, New York, New York, USA.
20. The Importance of Molecular Biotechnology Transfer for International Development: Bangladesh by *Z. M. G. Sarwar Jahangir and Ronald A. Eckhardt*, Eukaryotic Molecular Biology and Biochemistry, Stockton State College, Pomona, New Jersey, USA and Department of Biology, Brooklyn College of the City University of New York, Brooklyn, New York, USA.

1.3 Highlights of the Essays

This section attempts to summarize the contents of each chapter of the edited book. It must be mentioned here that the views expressed by the contributing authors in their articles are not necessarily those of BDI.

Chapter 1 of the book is an introductory editorial article written by the editors of the book Ashraf Ali, M. Faizul Islam and Ruhul Kuddus. This article attempts to set the tone of the book. It first provides a possible framework of an emerging economic order in Bangladesh. It contends that despite the globalization of the world economic system and the asymmetry in the world economic development, which encourage rent-seeking activities and discourage genuine national economic development in a developing country like Bangladesh, a symbiotic relationship between the advanced industrialized countries and a developing country such as Bangladesh is possible. The article uses the symbiosis between Japan and the Asian NICs (Newly Industrialized Countries) as an illustration of such a relationship. The article then briefly summarizes the common elements found in the contributed papers.

In **chapter 2**, Munir Quddus presents a comprehensive and methodical assessment of entrepreneurship behind the success of garment industry in Bangladesh. Based on his first-hand in-depth study on this topic, he concludes that the success of garment industry is due to the brilliant entrepreneurship and external force, viz., Multi-Fibre Arrangement (MFA). The MFA unquestionably created the conducive environment. Once inside the highly global market, Bangladesh entrepreneurs have excelled largely on their own merit. This industry evolved from the scratch in 1977. Thanks to the pioneering role played by Mr. Noorul Quader, a bureaucrat turned entrepreneur, and Mr. Woo Choong Kim of Daewoo. This eighteen-year old industry has successfully overcome the bottlenecks at home (lackluster government support, red-tape, corruption, power outage and strike-related production disruption, natural calamities) and abroad (erratic buyer's orders, enforcement of child labor laws). However, the author cautions that this success may be short-lived until and unless, the industry invests in research & development, education and training and goes public (broadens ownership by issuing stocks).

Mohammed Sharif's empirical analysis of the incompatibility in the population control policy and working poor behavior is presented in **chapter 3**. According to the conventional wisdom of population control policy, the success of controlling fertility was contingent upon educating the public and availability of supply and services of birth control measures. The fertility rate among the minority educated and affluent segment has decreased as a result of the use of contraceptive measures. However, the fertility rate among the overwhelming majority of working poor has not

abated. The working poor view an additional offspring as an earning member of the family. Thus, in Bangladesh, poverty eradication should become the tool for population policy to combat today's most pressing twin problems of population and poverty.

In **chapter 4**, Akhtar Hossain provides a detailed historical and up-to-date account of issues relating to politics, society and economic development of Bangladesh. According to him, the economic success since the 1990s has been limited because: a) the fundamentals and the pace of modern economic growth are weak and b) the country is besieged by a chronic sociopolitical instability. Based on our historical past, he believes that the future of a stable democratic system in Bangladesh is largely dependent on how the Bangladesh National Party (BNP) and the Awami League (AL) cooperate to strength a two-party political system. In the absence of viable political institutions and accountability of government, economic policies and programs are carried out in a haphazard manner. The nation's economic success has been constrained by these factors for quite a long time.

According to Abdul Momen in **chapter 5**, the economic success of Bangladesh since the 1990s has been poor in relation to its neighbors. He believes it is due to an over-developed civil and military bureaucracy, low literacy rate and lack of public participation.. He proposes an overhaul of our administrative system. For example, Momen proposes the development of a "District Governor System". Under this proposed decentralized system, the elected officials would be held accountable to their electorate about their fiscal responsibility.

In **chapter 6**, Ashraf Ali has emphasized the immediate need for rapid industrialization in Bangladesh. Bangladesh has a large informal sector and as a result the country suffers from inefficiency and underdevelopment. The production system must be modernized to compete with other countries in the market place. Bangladesh should look forward to obtaining advanced technology rather than the so-called appropriate technology. Neither environmental concern nor labor displacement worries should discourage Bangladesh from undertaking programs on rapid industrialization. Economic development itself takes care of the problems it creates. The government should formulate appropriate rules and regulation, taxation laws to nurture the manufacturing sector of the country. Bangladesh should utilize foreign direct investment (FDI) of appropriate origin and characteristics to its best interest. The nation should develop a group of technocrats within the government who can evaluate and promote emerging industrial projects.

Ahrar Ahmad in **chapter 7** has stressed that the role of State and government can not be ignored even after the collapse of the command economies of Eastern Europe and the Soviet Union. Historically, the capitalist/industrial revolution of Europe was facilitated by the State. In the

twentieth century, Keynesian principles relied on State intervention in thwarting cyclical economic crisis and in presenting "capitalism with a human face" through the delegation of welfare and redistributive responsibilities on to the State. His arguments include the political and economic functions, such as, reducing income disparity, provision of legal system, of the State and government. He asserts that the government need not be the exclusive agent of development and is not intended to control all aspects of the economy, but it can always play a unique and partnership role in the socioeconomic development of the country. He cites some examples, such as, defense, international aid and trade negotiations, development of internal market, where the presence of government is indispensable.

Choudhury Shamim argues in **chapter 8** that Bangladesh foreign policy should change as geopolitics is replaced by geo-economics around the world. Our neighbors are engaged in widening market-oriented reforms. Indian and Pakistani leaders have visited the United States to ask for increased foreign investment. Our decision-makers should learn from our neighbors. In the post-Cold War, we should seek greater regional stability and economic integration, avoid ethnic strife and religious fundamentalism, promote sustainable development with minimum ill-effects on environment, focus on power generation and energy resources development, exploit the benefits of tele-communication, information technology and biotechnology, and have an outward-oriented foreign policy.

In **chapter 9**, Zillur Rahman Khan analyzed the charismatic power of selected women leaders in South Asia. According to him, none of the South Asian women leaders rose to the top as heads of government on their own merit. With Khaleda Zia, the ideological disjointedness has become more pronounced. In addition, her lack of understanding of the linkages has made her policies confusing and untenable. The displacement of goals seems to have occurred due to her obsession with a unilateral use of the tool of political power. In this process, she may have taken the vested interests as legitimate interests of the Bangladeshi citizenry.

In **chapter 10**, M. Ruhul Amin discusses the problems and prospects of foreign investment in Bangladesh. In 1994, Bangladesh attracted a paltry \$17 million which is one of the lowest in Asia. Political instability, low per capita income, absence of investment guarantee, corruption, a fledgling stock market, backwardness in technology and inferior quality products are some of the factors keeping foreign investment at bay. He recommends that these problems be overcome. Given the recent positive economic developments and the author's anecdotal investment experience, he is convinced that the investment climate would become highly favorable to attract foreign investment. He is optimistic in that it would not be too long before Bangladesh reaches the economic stature of Thailand.

A descriptive study of stock market by Faizul Islam is presented in **chapter 11**. With recent market reforms, our stock market is gaining importance. Stock market enables lenders to maximize returns and borrowers to minimize cost of obtaining funds. Our market can play a key role in the economic development through private capital formation. It could attract millions of dollars of foreign remittances. Despite its success, it has problems. For instance, stock trading is yet to be computerized; there is inadequate supply of securities.

Mizanur Rahman's views on Industrialization and Entrepreneurship are discussed in **chapter 12**. Industrialization is a key to the economic development of Bangladesh. Industrialization can take place if it is driven by entrepreneurs. If the Government is keen in promoting socioeconomic development through industrialization, then it should provide a favorable atmosphere to foster growth of innovative and visionary entrepreneurs. He is optimistic that despite an unfriendly business environment, huge bureaucracy, and big government, entrepreneurs will triumph ultimately. A classic example is the entrepreneur-led garment business. He foresees the acute need for industrialization in a developing country like Bangladesh as advanced countries switch from manufacturing-based to information-based economy.

The social impact of brain drain is discussed by Salim Rashid in **chapter 13**. He presented the rationale behind the migration into the United States that took place over time. Based on a sample survey of U.S. residents of Bangladeshi origin, he concludes that social factor played a key role in migrating to the United States. For example, he found individuals or families who were financially solvent or professionally well-placed in Bangladesh migrating to the United States.

In **chapter 14**, Nazli Kibria presents the income-related experiences of female workers in the garment-export industry in Bangladesh. Her analysis is based on in-depth interviews with thirty-four women employed in five different factories. Socioeconomic background of women determined who controlled their income. She found that women workers from lower-middle-class background had nearly full control of her income while urban working-class women relinquished control to men. Her results also suggest that with the exception of some young unmarried workers, women's employment in the garment industry had not yet shaken the patriarchal family relations. On the other hand, the challenge to patriarchal family relation may emanate from the ongoing macrostructural shifts of the economy.

As described in **chapter 15**, Saifur Rahman evaluates the problems and prospects of private power in Bangladesh. According to him, three factors have been the driving force viz., i) the necessity to trim the losses of government-run utility companies by turning it over to the private

sector ii) the fact that foreigners, led by profit-motives, are evincing interest to invest in power sector and iii) the lessons to be learned from the policies of neighboring India and Pakistan in this regard. However, Bangladesh lags behind its neighbors in terms of facilities (non-availability of relevant technical literature, inaccessibility to electronic information and poorly-trained personnel). He thinks that Bangladesh should proceed with caution while inviting foreign participation. Lack of proper planning and hastily signed contract(s) could be damaging. Bangladesh should learn from the experiences of India (the well-published and highly controversial Enron Corporation-Government of Maharashtra proposed joint venture) and the Philippines.

In **chapter 16**, Sabir Majumder provides a comprehensive discussion on how to transform "brain drain" to 'brain gain" for Bangladesh. His paper lists various alternatives through which any professional Bangladeshi expatriate can contribute to the prosperity of Bangladesh. In practically every field of science and technology, there is an acute need for the knowledge and service of expatriate experts. Bangladesh has already started benefiting from such joint ventures. The multi-disciplinary project undertaken by the University of Manitoba and Jahangirnagar University is one of the several examples. He concludes that at this time we should be determined to give something back to our country instead of asking the country to do something for us.

The paper by Ruhul Kuddus (**chapter 17**) offers the procedures with respect to biotechnology transfer. The success story of our entrepreneurs and industrialization can provide us with helpful guidance in developing indigenous biotechnology. This is a highly promising technology that can contribute to agricultural productivity. Biotechnology might not come through aid pipeline as the Bangladeshi leadership may assume. A massive allocation is not a pre-condition to mount biotechnology research. A meager allocation but focused approach has shown promising results in some developing countries. Both private and public sectors can enter into this sector with or without foreign partners. In addition to local entrepreneurs, we may have to rely on joint venture with foreign investors. Hiring expatriate specialists may contribute to technology transfer. Expatriate Bangladeshi specialists can contribute to technology transfer by initiating carefully chosen joint projects with specialists in Bangladesh.

Bakhtier Farouk in **chapter 18** asks the question 'How long can we ignore the air pollution situation in the city of Dhaka'. Air, water and solid waste pollution in Dhaka city has reached a critical level and rigorous enforcement of effective regulations is necessary to make Dhaka pollution-free. Overpopulation in Dhaka and poverty are the major reasons for pollution and decentralization of bureaucracy may improve Dhaka's environment. Environmental pollution in Bangladesh is not due to industrialization but due to the lack of regulation or its implementation. There is no immediate environmental concern for rapid industrialization. Farouk suggests a number of measures

to stop the current trend of increasing pollution, such as, mass hygiene-awareness and the construction and operation of bio-compatible waste treatment facilities in and around Dhaka city.

In **chapter 19** Sufian Khondker reveals the impending disastrous effects on the economy of Bangladesh as a result of diversion of water by India through the Farakka Barrage. India has been unilaterally diverting international water off Farakka for the preservation and maintenance of the Calcutta Port. As a result, the water level flowing into Bangladesh is at an all-time low. It is having adverse effects on the hydrology and morphological behaviors of the Ganges and its tributaries within Bangladesh. Also, the economic cost of its impact on agriculture and forestry is estimated to be \$575 million annually at 1991 prices. The soil salinity in the south-western region of Bangladesh is on the rise. Inland navigation is being jeopardized. Fish population is on the decline. There are preliminary evidence that desertification process has already begun. Although meant to improve navigability, the diversion of water off Farakka is aggravating siltation problem around the Calcutta Port.

In the paper on molecular biotechnology transfer for international development (**chapter 20**), Jahangir and Eckhardt, with a brief and simplified description of the process of genetic engineering, clearly point out the advantages and importance of the adoption of biotechnical methods, especially in the agriculture and pharmaceutical sectors of Bangladesh. They have shown that the technology of genetic engineering may be adopted by any developing country like Bangladesh to address its own unique problems. Jahangir and Eckhardt also attempt to address the issue of biosafety which is often associated with the application of genetic engineering techniques.