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International hegemony and the south

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Introduction

Global hegemony is about a one-way relationship, an unequal exercise of power by one or a few persons over many others, a concentration of wealth and power in some parts of the world at the expense of many. This scenario of global hegemony goes against the real spirit of the globalization process. Because of the hegemonic relationship, globalization becomes monopolization, a system of unequal opportunities, wastage, plunder and coercion.

There are two major interpretations of the term Globalization. The two appear to conflict with, and even oppose, each other. The first one -the mainstream view- considers globalization as the rational outcome of global economic *progress*. This view describes it as a process of (i) *expansion of free trade*; (ii) *further integration of world economies*; (iii) *increased communication amongst different regions*; (iv) *faster diffusion of knowledge*; (v) *increasing mobility of capital and labor*; (vi) *increasing competition*; and (vii) *emergence of a global economy/global market*. Supporters of this view believe that there is no alternative (TINA) to this.

The second interpretation -and dissenting view- gives more emphasis to the power and ownership aspects of the globalization process. It sees the process as being increasingly dominated by Multinational Corporations (MNC) and Global Institutions (GI, such as the World Bank (WB), the International Monetary Fund (IMF), and the World Trade Organization (WTO). Thus, according to this view, the present globalization process is in fact the manifestation of the monopolization of power by large corporate entities, which are mainly centered in the North. Supporters of this view also argue that the worldwide expansion of the capitalist drive for profit has endangered the environment, people's lives, local authority, and biodiversity, as well as the diversity of culture. They also insist that there is an alternative to the present globalization process. A real people's globalization is only possible by stepping out of global power.

My aim is to argue that, in fact, the globalization process embraces elements from both views. It is essentially capitalism, which is advancing on a world scale and is integrating peripheral economies into a single global hegemonic system. Since the last decade, when globalization began world trade has been expanding, most economies have integrated more into a single global economic system, information and communication systems have developed at a faster rate because of the rapid development of information technology. Now the opportunity for greater diffusion of knowledge has emerged, and capital has become much more mobile. These facts support the mainstream version of globalization. But at the same time, we must not ignore the fact that the mobility of labor could not take place along with the mobility of capital, and this competition, in most cases, is increasingly being replaced by a monopoly or a near monopoly. The global economy has increasingly become a playing field for big corporate

bodies from G-7 countries. Institutions like the WB, the IMF and the WTO have gained unprecedented authority over most nation states. All the processes of integration of peripheral economies into global economy have not been taking place through the invisible hand, i.e., the free market process. Moreover, the fact is increasingly surfacing that the present globalization process, directed by corporate bodies and motivated by profit, has further endangered the environment, people's lives, common property, local authority, and biodiversity, as well as the diversity of culture.

In this paper, an attempt has been made to understand the integration process of Bangladesh's economy -a peripheral one in the global capitalist system- and its place in the global hegemonic relationship. Along with a historical overview of the country, quantitative and qualitative changes in different sectors of the country will be analyzed to identify the main trends in the economy and society.

Legacy of Bangladesh's Economy and Polity

Bangladesh earned its status as an independent country through an armed struggle in 1971. The roadmap 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 different forms of regional and ethnic discrimination. Soon after independence, Pakistan came under military autocracy, which had been ruled all along by the big propertied oligarchy centered in West Pakistan.

From the very beginning, Pakistan has been highly dependent on military-civil bureaucracy. Instability in civil governments and perpetual military rule was a reflection of that. Pakistan also had consistent patron-client relationships with the political and economic centers of the global capitalist system. In 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 for the concentration of economic power. By 1968, the 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" (Mahbub ul Haq, chief economist, Pakistan Planning Commission quoted in Jahan, 1972:60). And all of these twenty families were from West Pakistan.

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

Integration with the Global Economy: Factors and Actors

After independence, despite continuous promises and rhetoric, Bangladesh failed to alter the power matrix that had prevailed during the Pakistan period in the social and economic fields. The structures and hierarchies of civil and military institutions, created during the British rule, were kept intact in Bangladesh; similarly, the legal and judicial systems remained untouched; and the land 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 has experienced a continuity of policy and ideology. One of the major factors behind this continuity could be the increasing authority of the GI that have been operating in Bangladesh and their decisive involvement in formulating policies and monitoring the implementation of these policies. These institutions include the WB, the IMF, the Asian Development Bank (ADB), the 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 regarded as an absolutely recent phenomenon for Bangladesh. Bangladesh's 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 the mid-fifties- the integration process has gained momentum with the introduction of 'foreign aid'-based development projects and the 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 Bangladesh's independence, the *Bangladesh Aid Consortium* was formed with the World Bank as its head "on the same lines as the Pakistan Consortium" (Sobhan, 1982). After analyzing a thirty-year review of the Bank's assessment of government policies, its suggestions and its policy recommendations to the government of Bangladesh, it is clear that the Bank has been consistent in its policy prescription and ideological framework. However, it is interesting to note that the Bank has always worked to sell their agenda by keeping the government in good humour, always maintaining its supporting tone towards 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

Now I shall retrieve some documents from the World Bank in this regard. In Bangladesh's First Five Year Plan (1973-78) document, which was explicitly biased towards the public sector growth, the 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 a one-party presidential rule, the Bank seemed to be *happy*. It argued in favour of 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 1975-1976. 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; those included “serious efforts” for law and order situation. The Bank 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”. The report also expressed optimism about the continuity of “the 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 different policies were born accordingly 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 WB and the IMF appeared in the Eighties, the programs it covered were prescribed by these institutions much earlier. The Structural Adjustment Programme, in fact, brought all of their earlier *reform* programs in a single step.

From Krug to PRSP

Since the early Seventies, international bodies including the World Bank have been emphasizing poverty-related programs. Women-related programs have got attention from the United Nations (UN) bodies since the mid-Seventies. Funding started flowing in these areas, which in many ways influence or guide government programs, as did the emergence and quick growth of non-governmental organization (NGOs). Perhaps, the 1995 General Agreement on Tariffs and Trade (GATT) agreement was the single most important document that created a global foundation for integrating all economies.

Period	Programs Initiated	Significance
1950s and after	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 and after	Green Revolution	Monocrop and increasing market orientation of agriculture
1970s and after	Poverty Alleviation Programs, NGOs.	New institutions and civil society compatible with the philosophy of GIs.
1980s and after	Structural Adjustment Program (SAP)	De-industrialization, de-regulation, privatization, trade liberalization and expansion of service sector.
1990s	GATT Agreement	Opening up of common properties to profit-making activities.
2001 and after	Poverty Reduction Strategic Paper (PRSP)	Sugar coated Structural Adjustment Program

As a whole, the programs, sponsored by global institutions such as the WB, IMF etc, have played a key role in accelerating the process of integrating peripheral economies, including Bangladesh's, with central economies. Those include: (i) the *Green Revolution*; (ii) the *Structural Adjustment Program*; (iii) the *Poverty Alleviation Programs*; (iv) the *GATT agreement*; and (v) the *Foreign aid*-supported trade, technical assistance, reform, consultancy, training and education. The current *Poverty Reduction Strategy Paper (PRSP)* is the latest in the series¹. These programmes have also played a crucial role in determining the shape and direction of the economy and creating a strong support base amongst the 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 for understanding 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 a Service Economy: Malls over Mills

Until immediately after independence, Bangladesh's economy was characterized as agrarian-based. Agriculture accounted for the largest share of both the labor force and the gross domestic product (GDP). However, by the end of the century, Bangladesh ceased to have an agriculture-based economy. Agriculture's proportion of GDP came down from nearly 60% to 18%, with fisheries to 23% (GOB, 2004). But on the other hand, manufacturing has not captured the dominant position either. The service sector, as a whole, has emerged as the single largest sector contributing more than 50% of the GDP. The movement of an economy from agriculture to service bypassing or degenerating manufacturing may not go with the textbook notion of development, but this is very significant to study the direction of a peripheral economy like Bangladesh's. The growth of Malls has gained absolute authority over dismantled mills. In the process, the

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

country abandoned its tag of *Adamjee* -the largest jute industry in Asia- after the closure of its factories and replaced that tag with *Basundhara*, the largest super market in South Asia. That is, however, a significant shift.

Manufacturing: Upwards and Downwards

Traditionally, there were large numbers of cottages and small industries in Bangladesh. But the manufacturing sector has been dominated, in terms of output proportion, by large manufacturing enterprises and the public sector since 1972. This public sector emerged out of large and medium enterprises abandoned by the Pakistani big business houses after the independence of Bangladesh. During the last three decades, a proportionate share of manufacturing in GDP marked a slight change. According to the old GDP estimates, manufacturing represented 7.90% between 1972-73, and 8.47% in 2003, which means that there was an average increase of less than 1% in thirty years. With the new estimates, figures go upward but the trend remains the same. According to the new estimates in 1995-1996 the share of manufacturing in GDP was 15.43%, but it decreased to 14.68% in 2000 and again increased slightly to 15.97% in 2003 (GOB, 2001 and 2004). If we compared the share of manufacturing from the early Eighties with the 2003 figure, it would show a clear de-industrialization trend (Muhammad *et al*, 2003). 2004 figures show little change.

Table 2 reveals different growth trends for different types of industries. Export-oriented and construction industries show a positive growth while old industries in the country record a negative growth. Since the early Eighties, many of the old enterprises, both public and private, were closed or downsized and gradually replaced by the export-oriented ones². Due to the closure of many large-scale factories and the sickness of medium and small enterprises, the number of industrial workforce shrunk, despite new entry in export-oriented garments and Export Processing Zones (EPZs).

Table2 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, Beverages, Soap and detergent Leather and leather products
Negative growth, High range	Jute Textiles, Fertilizer
Negative growth, Low range	Sugar, Paper, Iron & Steel
1990s	GATT Agreement
2001 and after	Poverty Reduction Strategic Paper (PRSP)

Source: Bakht, 2000.

2 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% 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% 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% of earnings for general business purposes, rising to 15-20% soon. See details on Manufacturing sector in Muhammad *et al* 2003.

Expansion of Trade

Bangladesh's external trade has increased manifold. While the total trade represented 20.65% of GDP in 1973, it increased to 30.77% of GDP in 2001 (GOB, 2002). Both imports and exports 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 trade and non-trade barriers. While in 1992-1993 the highest import duty was 150%, it was reduced to 30% in 2004. The average import duty comes to 15.65% (GOB, 2004).

While Jute and jute goods dominated the export trade in the early Seventies, ready-made garments have dominated since the late Eighties, capturing more than 60%. Although major export items shifted from agricultural goods to processed goods, (e.g., ready-made garments), they only have 25% of value added components.

Women in the Labor Market

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

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

Rural Non-Farm Activity

Landless laborers constitute the 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 them. There are months when demand for agricultural labor approaches zero. Non-farm activity has always been a part of rural life, but populations involved in such activities were very small in number. Moreover, non-farm activity remained a family-based traditional job. Since 1980, however, non-farm employment has grown fast. The jobs include: petty trade, small shop, transport, such as rickshaws and vans, and other non-farm daily wage labor.

Increase in Market Orientation

Rural work programs in the sixties contributed to adding road connections from the countryside to urban areas. Although this paved the way for the expansion of the market and market-oriented activities, the latter activities remained modest until the late seventies. Since then, these activities, i.e., production and processing for market and profit grew fast. Not only did this happen in crop production, but it spread to other areas as a result of institutional, financial and otherwise support. Commercial production related to Poultry, Dairy and

Fisheries increased significantly since the early Eighties. The export-oriented Shrimp production expanded. NGO's microcredits contributed significantly to the market-oriented activities of low income rural people³.

From Multicrop to Monocrop

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

Urban Informal Sector

In the early Seventies, 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 Eighties. The influx of people could not be absorbed into the manufacturing sector, since this was in the process of shrinking employment opportunities. Therefore, in an attempt to find a way out, they found their livelihood in self-employment and in the informal sector.

Communication

Although rail and water transport, the traditional mode of transport in this land, remains neglected and stagnant till today, road transport developed rapidly since the mid-Eighties. Telecommunications also had a breakthrough in the early Nineties by linking all thanas. By the late Nineties, a good portion of rural areas had a mobile and satellite TV network. The expansion of this communication network helped fuel demands for many other consumer items. In rural areas, many imported consumer items are now readily available.

Foreign Direct Investment

In Bangladesh, Foreign Direct Investments (FDI) had been very small and limited to some selected areas till the early Nineties. 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 was boosted by the establishment of Karnaphuli Fertilizer Company (KAFCO). Since the early Nineties, interests of MNCs for investments in gas, electricity, port, hybrid, and telecommunications became visible, and new contracts were signed in the gas, telecommunications and electricity sectors. The fields of these investments were long prepared by major global institutions. In these cases, FDIs are proving to be burdensome on the economy⁴.

3 The main focus of NGO activities in the later stage was summarized by one official of BRAC, a leading NGO in Bangladesh: 'We link the poor to the market' (roundtable, 1997).

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

NGO: New Corporate Body

The growth of NGOs in Bangladesh has been spectacular. The NGO development model in Bangladesh, which included group formation, the target group approach, participatory development, and microcredits, has added a new dimension to development thinking. The model is treated by global institutions as a safety net for people who are victims of other development measures prescribed by the same institutions. In Bangladesh, NGO does not merely mean 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 their composition characterized the last fifteen years of their activities. Initially, NGOs made a promise to work on social issues, struggle against exploitation and discrimination, and work outside the domain or influence of the local or national power structure⁵. Since the early Eighties, microcredit operations started getting priority among some NGOs and by the early Nineties, they became the main focus of most sectors.

In the process, NGOs became polarized between a few very large NGOs and many small ones, which had been reduced to subcontractors of the large NGOs. The large NGOs have become corporate bodies⁶. Significant numbers of NGOs led by large ones like BRAC and PROSHIKA are now involved in several business projects. Large NGOs are also in the process of forming alliances with multinational corporations. For instance, BRAC works with UNOCAL and Monsanto; the Grameen Bank⁷, which initially intended to work with Monsanto but failed due to resistance, is now working intensely with multinational telecommunication companies and is also involved in shrimp cultivation. It should be noted that the involvement of NGOs in business activities became a matter of discussion years before⁸.

Criminal Economy

The share of *black*⁹ economic activities in the economy is yet to be accurately estimated. However, there are some rough approximations. The United Nations Development Programme (UNDP) finds it to be around 30% of the country's GDP. But a top leader of the business community found it to be more than 50% of the GDP¹⁰. This particular economy encompasses bribery, crime, arms trade, production of arms, employment of professional criminals, corruption and grabbing, illegal commissions, leakages from different governments' projects, especially *foreign aided* ones. The governments of Bangladesh have displayed a very lenient attitude towards both this stolen money or *chora taka* and the Mafia lords of the illegal economy who, in fact, now also dominate the political arena. The rise of the super rich and the Mafia lords and their domination over policy

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- 5 See discussion on the NGO model working in Bangladesh and its shifts over time, Muhammad (2000b)
 - 6 World Bank's recommendations are noteworthy here. They 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)
 - 7 Grameen Bank is not a registered NGO but it can be bracketed with NGOs since it works within the NGO model.
 - 8 The chairman of NBR stated in 1997 that 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).
 - 9 Traditionally, the term *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.
 - 10 This was stated by the President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), TV interview, Ekushey, June 5, 2002.

makers make the task easy for global institutions, which can sell their agenda without any resistance from the ruling elite.

From Poverty to Poverty

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 population living under the income poverty line increased from 50 million in 1972 to 68 million in 2003. From 1990-1991, the allocation for poverty increased more than 700% and the GDP increased by nearly 50% but the poverty ratio in this period increased from 47.5% to 49.8% (GOB, 2004)¹¹. On the other hand, inequality also increased during this period. In 1983-1984, the lowest 5% of the population held 1.17% of the national income, but this figure came down to 0.67% in 2003, while the share increased for the highest 5%, from 18.30% to 30.66% of the national income in 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, small entrepreneurs. Except for large farmers and *jotedars*, the big propertied class based on industry or on trade was almost non-existent. That societal composition has changed radically over the last three decades. Big propertied multimillionaires have grown to thousands in this period and new occupations related to the service sector have emerged. However, this super rich class has either little or negative relations with the growth of manufacturing (Siddiqui, 1995).

In rural areas, business -and not land- has become the determinant of one's economic position. The big propertied classes in the rural area, therefore, are those who, apart from landownership, are involved in some business of a different kind. Landless people in rural areas have grown in number and proportion. As a class, they emerged as a single majority in the population. A large segment of this group, however, has been delinked from farm work. Migration to urban areas occurred mostly in this group.

While the industrial labor pool shrunk in size, new workers changed its gender composition. In addition to this, the growth of the informal sector gave rise to the floating laborer who received a lower wage than industrial workers did¹².

Conclusion: Growth and Erosion, Affluence and Poverty

Therefore, after its first three decades, we find Bangladesh is more marketized, more globalized, and more urbanized; and has a good number of super rich and an increased number of uprooted poor people. We also notice the growing role of international agencies in the governance of the state; we see the increasing presence of funding organizations including NGOs. The role of the state in major policy formulation is rather marginal. Bangladesh is now dominated by a power oligarchy. Criminal activity, including grabbing public resources, has

11 The last figure 50% in 2002 is found from prime minister's statement, May 2002.

12 See an analysis based on the study of changing class composition (Muhammad, 2001). The study findings include the emergence of new occupations -those that are mostly service-oriented and are highly vulnerable in nature. Low income and unsecured jobs have become the inevitable destiny of large numbers of uprooted rural people. High income occupations were found to be 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 were linked with the mobility of international capital that has been shaping and reshaping the faces of the people in both poles, i.e., rich and poor.

become the main mode of capital accumulation. This has also gained strength in determining mainstream politics. This scenario has been regarded as the ‘success’ of ‘development’ projects by the global institutions and successive governments. Table-3 summarizes the scenario.

Table3 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 commercial 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 holders	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

Source: Bakht, 2000.

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 and consultants to travel to other parts of the world to receive training from or hold consultation sessions with experts in the centers. We now have plenty of experts, consultants and researchers in different fields who have become a part of the international community and are hungry for the projects and blessings of the global institutions. Poverty allevia-

tion projects gave enough affluence to 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 have grown in parallel.

The fate of Bangladesh is now being determined, like that of many other countries from the south, not by 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, and women have only legitimized the policies outlined much earlier by bodies that are 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 ahead to be an increasingly integrated region in the global capitalist system. Since the local ruling class does have strong lumpen features and cannot be characterized as productive bourgeoisie, Bangladesh is moving as a blind, mindless follower, and therefore is standing on a very vulnerable state. This is one of the faces of peripheral capitalism in late global capitalism. The lumpen ruling class, the plunderers, has been fattened, strengthened and internationalized by the support of the global institutions, at the expense of the people and the environment.

In this scenario, Cuba, a Southern country, has offered an alternative model. Cuba, a country with less resources than Bangladesh and four decades of active sanction imposed upon by the US, has shown unprecedented resilience and progress in human lives. The study on Cuba, its achievements, its problems and constraints, has therefore become crucial to look for a possibility of creating another world that is free from hegemony and poverty, and keeps people in the centre of all development thinking.

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