Globalization and Bangladesh Economy: A Critical Assessment

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Abstract : ***Over the past decades, globalization has now become a new world order, which virtually influences everything that comes in our mind. Developing countries like Bangladesh with vulnerable geopolitical locations and weak economies are now looking at globalization to strengthen their economy to fight any perceived threats. But the increasing role played by the western dominated institutions such as, the World Bank (WB), International Monetary Fund (IMF), and the World Trade Organization (WTO) in setting the rules under which globalization is playing, has placed developing countries in a much disadvantageous position. This paper attempts to take a fresh look at the impact of globalization on the economy of Bangladesh, and to draw some policy conclusions. It also studies some ameliorative measures to overcome the negative impacts and also the ways to exploit the opportunities created.***

Keyword: Globalization, IMF, WTO, World Bank, Bangladesh

1. Introduction:

Globalization has become the most pressing issue of our time all over the world. It is not a new phenomenon, even though it has drawn increasing attention in recent years from scholars, international organizations and national policy makers. Previously it was labeled as internationalization. The concept of globalization has taken its present shape with the establishment of International Monetary Fund (IMF) and World Bank and it has got a new momentum after the signing of Uruguay Round Agreements that was followed by the establishment of World Trade Organization (WTO). Now there are new rules in the form of multilateral trade agreements that govern the international trade. Deregulation of the country market and international agreements on the reduction of tariffs and non-tariffs barriers have opened up new opportunities for the development of the world economy. At any rate, it has to wait upon the development of those domestic forces, which create the favourable climate for economic growth. It has an accelerating effect on growth at an advanced stage of development. These are well-known forces of good governance-favourable investment climate, development of financial institutions, and the development of physical and social infrastructures. In other words, the country desirous of globalizing to a higher level has to develop its own domestic economy to benefit from globalization[1]. The economic benefits to a country from globalization may rightly be viewed as economic benefits generated by economic growth primarily with own steam. It has to be self-generating process that links up for global benefits.

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Over the last three decades several countries have successfully seized the opportunities of economic and technological globalization and their economic growth rates have successfully accelerated appreciably. On the other hand many other countries specially the least-developed countries like Bangladesh have failed to reap benefit meaningfully from globalization. Many of these countries have become marginalized from the mainstream of global growth and development.

The paper is structured as follows: Following the introductory section, Section 4 provides a conceptual framework of globalization which includes nature, definition, and dimensions of globalization. Section 5 discusses the integration of Bangladesh with globalization process. Section 6 then describes the impact of the forces of globalization exerted on the lives of the people in general and the economy in particular through its various designs and mechanisms in Bangladesh. In this context, special attention is given to the impact of globalization on some selected sectors of the economy of the country. Finally, section 7 offers some brief concluding observations and recommendations.

2. Objectives of the study

The objective of the study is to know about Globalization from theoretical perspective. It also aims to analyze the impact of global integration in Bangladesh with a focus on the economy of the country. The present study attempts to find out the potential opportunities and challenges of Globalization for Bangladesh by analyzing theoretical aspect. It also proposes policy recommendations that will enable Bangladesh to cope better- to maximize benefits and minimize economic costs- with the on-going process of globalization.

3. Scope and Methodology

The proposed study would be empirical one. Secondary data has been used in this study. The secondary data have been collected from various books, reference Journals, seminar & working papers and local and foreign articles. The research is empirical or observational one. Different graphs and tables are used in this paper for the sake of making understand regarding challenges and threat of globalization for Bangladesh specially.

4. Globalization: A Conceptual Framework

The concept of globalization is global and dominant in the world today. But, it was not handed down from heaven, it was not decreed by the Pope, it did not emerged spontaneously. The dominant social forces in the world today to serve their specific interests created it. Simultaneously these social forces gave themselves a new ideological name the - “international community” - to go with the idea of globalization. Globalization has largely been driven by the interests and needs of the developed world [1].

Globalization has been reinterpreted as part of the modernization effort, an important component of the goals of the party-state; the majority of the cultural elite promotes reaching out toward the process of globalization and has been the key to cultural translation and localization.

Globalization is defined as increasing integration of a national economy with the world economy through exchange of goods and services, capital flows, technology, information, and labour migration. Globalization in the broadest sense implies integration of economies and societies across the globe through the flow of technology, trade and capital. It basically refers to a process that enables people, goods, information, norms, practices and institutions to transcend national jurisdictions through markets, technologies, interests and information flows. Thomas Friedman (2000) defines globalization as the dynamic integration of the world's systems [2]. Joseph Stiglitz (2002), ex-World Bank Chief Economist and Clinton Administration advisor, terms it "the integration of the countries and peoples of the world ... and the breaking down of artificial barriers to the flows of goods, services, capital, knowledge, and (to a lesser extent) people across borders [3]." Complementary to this, yet a bit more refined, is the explanation by Micklethwait and Wooldridge (2003) of The Economist, that globalization is based on freedom and is, "the freer movement of goods, services, ideas, and people around the world"[4]

Globalization is clearly an out growth of modernity. It has been fuelled by the expansion in information technology, acceleration of economic ties among nations, increased flow of goods and services and travellers. Fall of socialism in East Europe and consequently absence of anti-systematic movements, growth of supra-local political organizations both regional and international and the growth of cultural industries, media empires in particular and concern for environment have increased the pace of globalization. Globalization is a long-term process of change. It has economic, political and cultural dimensions, all of which can have a social impact. The different dimensions of the process are interrelated and mutually reinforcing.

The main pivot of propagating economic globalization lies with certain powerful financial institutions that are solely in the hands of western countries. They include the International Monetary Fund (IMF), World Bank (WB), and the World Trade Organization (WTO). These institutions, collectively known as the Bretton Woods institutions, largely influence economic and political policy formulation in developing countries. For example, one of the conditions usually imposed on developing countries in order to qualify for loans from these institutions is the removal of subsidies and deregulation of the public sector. In contrast, developed nations themselves have continued to subsidize agriculture to the tune of US$1 billion a day [5]. This double standard has characterized the activities of these institutions since their inception. The organizations are used by the United States (US) and the other industrialized nations in the G8, to impose financial discipline and liberal economic policies on the developing countries, but no mechanism exists that forces the rich countries to play by the rule they set for others. Moreover, the decision-making structure discriminates against developing countries therefore condemning developing countries to an inferior position in these organizations [6]. The views of IMF policies tend to be counter-productive especially for the developing countries [7]. They actively compelled the developing countries through loan conditional ties to adopt Structural Adjustment

Programs (SAP) which require them to reduce government spending, end public subsidies, devalue their currencies, adopt export oriented policies, and raise interest rates to reward foreign investors. Apart from the fact that the attachment of conditions to loans has been criticized as unwarranted intervention in the affairs of a sovereign state, most of the countries of the third world that adopted these policies are beset with tales of woes [8]. If anything has changed in those countries, it is that poverty has become more rampant therefore exposing the failure of these institutions [9]. According to former WB Chief Economist Joseph Stiglitz (2002), countries that ignore IMF fare better [10]. Developing countries of the third world are groaning under the yoke of these institutions. Its huge debts to these organizations are stifling development. These countries therefore demand a greater say in these bodies, the total cancellation of their debts, and long term development plans in place of the usual emergency loans that become the burden of developing countries generations yet unborn.

5. Integration of Bangladesh with Globalization Process

Bangladesh has been making an attempt towards the integration with the globalization process since the last decade of the twentieth century. After a hesitant start in the mid-1980s, Bangladesh moved decisively to embrace the wave of globalization in the 1990s. In order to foster greater global integration, Bangladesh initiated fairly bold and rapid economic policy reforms towards trade liberalization and has been a signatory to various multilateral and regional trade agreements in the mid-1980s with the support from the IMF under the Structural Adjustment Facility (SAF) and from the World Bank under the Structural Adjustment Programme (SAP). An export-led growth strategy to be spearheaded by the private sector was announced in the New Industrial Policy of 1982, replacing the earlier public sector dominated import substitution strategy. The major objective of the economic reforms was to establish a stable macroeconomic environment, free from policy-induced anti-export bias, which would allow the achievement of rapid export-led growth of the economy engineered primarily by the private sector. With this end in view, reforms were initiated in the areas of fiscal, monetary, trade, exchange rate, industrial, foreign investment and financial sector policies. Although the economic reforms were initiated in the early part of the 1980s, this process was accelerated in the 1990s.

Fiscal Policy was reformed aimed at improving performance on both the revenue and expenditure sides of the budget. On the revenue side, the aim was to improve the revenue/GDP ratio in general and the tax/GDP ratio in particular. On the expenditure side, reforms were aimed at reducing current expenditures so that development expenditures could be increased.

On the monetary side, the pre-reform "Easy Money" policy which caused high rates of inflation was replaced by a more responsible monetary policy during the reform period. The interest rate regime was liberalized. Lending and deposit rates are now determined by the commercial banks rather than being dictated by Bangladesh Bank. The liberal refinance facilities of the Bangladesh Bank, which were previously available to commercial banks at concessional rates, have been replaced by a single rediscounting window facility at the bank rate. The bank rate is used as an instrument of indirect control, and is adjusted for inflation from time to time. Directed credit programmes at concessional interest rates have by and large been abolished for the sake of achieving efficiency in credit allocation.

Trade policy reform was undertaken which involved import liberalization and putting direct export incentive schemes in place. There was a sharp reduction in the number of quantitative Restrictions (QRs) on imports. The number of QRs was brought down from 315 H.S. 4-digit codes in FY90 to 124 in the Import Policy order 1997-02. At present, only 28 H.S.4 digit codes are subject to QRs for trade reasons, the remaining QRs being imposed for non-trade reasons such as health, safety and national security. The number of H.S. 4-digit codes whose import is banned on trade grounds was drastically reduced from 135 in Import Policy Order 1989-90 to only 5 in the Import Policy Order 1997-02.Tariffs have been reduced rapidly and their structure rationalized. The maximum tariff rate was reduced from 350 percent in the FY91 to 37.5 percent in the FY00. The number of tariff slabs has been reduced from 17 to 4 during this period. Between FY91 and FY05 the unweighted average tariff rate declined from nearly 89 percent to 17 percent. Both the average nominal and effective protection levels fell sharply as a result of import liberalization. Import procedures have also been simplified to facilitate imports.

6. Globalization and Bangladesh Economy

Globalization has turned the world into a big village. This in turn has led to intense electronic corporate commercial war to get the attention and nod of the customer globally. This war for survival can only get more intense in the new millennium [11]. It is needless to distractedly search for any premise other than the foregoing to commence the analytical examination of the holocaust effects of globalization particularly as it concerns the developing countries. It should be stated, however, that the extent of these effects as well as the coping ability/capacity of its victims are explainable within the context of human history, which, on its own has not been static, and which had continuously evolved with the society itself over the years. In the course of this evolution, various developments and changes had taken place. These changes or developments had, in most cases, affected the systemic existence of humankind per se regardless of the geo-political location within the universe [12]. The contemporary global debate on globalization and its multi-pronged impact has had a strong echo in the academic and political discussions in Bangladesh as well. Globalization has largely been driven by the interests and needs of the developed world [13]. The Western countries have pushed poor countries to eliminate trade barriers, but keep up their own barriers, preventing developing countries from exporting their agricultural products and so depriving them of desperately needed export income [14]. There is no global 'lender of last resort' and higher income countries which run into financial crisis are forced by the IMF to cut back sharply on expenditure, thus turning a financial crisis into a recession. In the realm of international finance, this means cancellation of debts of the Highly Indebted Poor Countries; no pressure from the IMF for countries to liberalise capital markets to permit financial investors to move money freely across borders; no pressure from the IMF for countries hit by financial crises to severely cut back on public expenditure; and the introduction of new systems for dealing with financial crises.[15]

Arguably the most important cultural influence coming from Asia into the West is not carried by organized religious movements but arrives in the form of the so-called New Age culture. It has affected millions of people in Europe and America, both on the level of beliefs and of behavior. Given its nonorganized, broadly diffused character, New Age is more elusive than the religious movements mentioned above, but it is being studied by an increasing number of scholars of religion. It remains to be seen to what extent New Age will permanently influence the "metropolis" of the emerging global culture and thus modify the shape of the latter. The British sociologist Colin Campbell has tellingly described the New Age phenomenon as 'easternization'. Under certain political conditions, it is clear, tensions between global and indigenous cultures can give rise to what Samuel Huntington has called a "clash of civilizations." But there are also sharp cultural conflicts within societies. The conflict between a secularized elite and religious revitalization movements is an important case in point. Cultural globalization is a turbulent affair, very hard to control [17]. After a hesitant start in the mid-1980s, Bangladesh moved decisively to embrace the wave of globalization in the 1990s. Ever since, the impact of globalization on the economy of Bangladesh and, more pointedly, on the lives of its people, has become a hotly debated issue.

Bangladesh moved decisively to embrace the wave of globalization in the 1990's. In order to foster greater global integration, Bangladesh initiated fairly bold and rapid economic policy reforms towards trade liberalization and has been a signatory to various multilateral and regional trade agreements in the mid-1980s. Whether it has derived benefits for the country or not remains a point to be analyzed. Some argue that the country has opened up to the world economy too fast and suffered in consequence, while some wrangle that a low technological base and poor governance is responsible for her present hesitant position. It could be understood that perceptible changes have occurred in the economy in terms of structural composition, employment pattern and trends in growth of private and public sectors due to trade liberalization.[i] In the interests of the very survival of Bangladesh, there is a need to foresee the impact of globalization on her economy. There are now two major points of view on the impact of globalization over the developing countries like Bangladesh. One talks in favor of the globalization while others opines against it. In this section we would examine the extent to which policy reforms have effected greater globalization and assess what impacts liberalization and globalization have had on the economy of Bangladesh focusing on some selected sectors of the economy.

6.1 Economic Growth:

Bangladesh's engagement with globalization has helped the accelerated growth of non-tradable in two ways – from the demand side, by boosting the demand for non-tradable, and from the supply side, by reducing their cost of production. To that end, market-oriented liberalizing policy reforms were initiated in the mid-1980s and were pursued much more vigorously in the 1990s. These reforms were particularly aimed at moving towards an open economic regime and integrating with the global economy. During the 1990s, notable progress was made in economic performance. Along with maintaining economic stabilization with a significantly reduced and declining dependence on foreign aid, the economy appeared to begin a transition from stabilization to growth. The average annual growth in per capita income had steadily accelerated from about 1.6 per cent per annum in the first half of the 1980s to 3.6 percent by the latter half of the 1990's. The average GDP growth rate during the period FY86-90 was 3.9 percent, increasing in the 1990s to 5 percent for the period FY91-00. The contribution of agriculture to GDP has declined from an average of 37.6 percent for the period FY86-90 to about 34 percent during FY91-00. While the share of services has increased from about 48 percent to about 49 percent between these two periods, the contribution of industry to GDP has increased from about 14 percent to 17.2 percent during this time.

Table No. 1: Sectoral Growth Rates (in percentage)

Sector	Average for 2000	2006-07	2007-08	2008-09	2009-10	2010-11
Real GDP	5.5	6.4	6.2	6.5	6.1	6.7
Manufacturing	4.5	9.72	7.21	6.68	6.50	9.45
Agriculture	4.6	4.69	2.93	4.10	5.56	5.09

Source: Bangladesh Bureau of Statistics Report, 2012

The GDP growth rate appears to have been closely linked to the performance of the agricultural sector. Liberalization appears to have had a deleterious impact on agricultural growth.[16]. First, substantial imports of food grains were made by the private sector after the withdrawal of the state since 1992 from food grain importing activities. Cheaper imports particularly from India, Thailand and Vietnam, depressed food grain prices, thus acting as a disincentive for increasing domestic production. Second, the liberalization episode witnessed a dramatic reduction and even elimination of input subsidies in agriculture. Fertilizer subsidies were withdrawn. Electricity and water rates for cultivation were raised.

The growth rate of manufacturing sector markedly improved in the 2006 compared to the 2000s although it was marked by fluctuations as shown in the table above and it has been witnessing a rising trend since then.

6.2 Exports and Imports:

Bangladesh integration with the world economy have had a great impact on the exports and imports earnings in the country. Until hit by the global recession in 2001, there had been robust and sustained, growth of exports earnings, averaging about 15 percent per year in the 1990s. As a result, the ratio of export earnings to GDP had nearly doubled to about 14 percent by the end of the decade. In 2001-02, however, export earnings declined in US dollar terms for the first time in nearly 15 years. Although there was a recovery in the following year, the medium term outlook indicates that it will be difficult to regain the export momentum of the 1990s. A greater integration with the global economy seems to fit well with the kind of pro-poor growth envisaged by Bangladesh's development efforts. The export-oriented garment industry presently employs around 1.8 million workers - mostly women from low-income, rural backgrounds. The second dominant export-oriented activity, shrimp farming, is also very labour intensive, presently employing nearly half a million rural poor. Year –wise export earnings in million US$ are appended below:

Table no.-4: Trend in export and import earnings in Bangladesh

Fiscal Years	Export Earnings in million US$	Fiscal Years	Export Earnings in million US$
1991	1717.55	1997	4418.28
1992	1993.92	1998	5161.20
1993	2382.89	1999	5312.86
1994	2533.90	2000	5752.20
1995	3472.56	2001	6467.30
1996	3472.56	2002	5950.00

Source: Bangladesh Bureau of Statistics Report, 2003.

Country's export earnings plummeted to US$ 5986 million during the FY 2001-2002 showing a 7.44% decline compared to the FY 2000-2001 turn-over of US$ 6467.30 million. Actually export fell by 17% short of the original target of US$ 7170 million dollars originally targeted for the FY 2001-2002. For every single dollar earned through exports, the country had to sell additional 15% goods in the global market during last FY. Four major exports- RMG, Frozen food, Knitwear and Jute goods contributed over 85% of the total export earnings, although the export volume went up by 7.43%. Meanwhile the government has made a comprehensive 5 years National Export Policy (NEP) with a consolidated target of US$ 41398 million for the 5-year period.

6.3 Foreign Direct Investment:

Foreign Direct Investment carries enormous significance in a developing country like Bangladesh. The FDI generates economic benefits to the recipient country through positive impacts on the real economy resulting from physical capital formation, transfer of technology and increased domestic competition Realizing the importance of foreign investment, Bangladesh formulated its first Industrial Investment Policy in 1973, revised it again in 1974, 1975, and in1978. Foreign Private Investment (Promotion and Protection) Act, 1980 and the Bangladesh Export Processing zones Authority Act, 1980 were enacted. To make the foreign investment more attractive new industrial policy was announced in 1982. However, the Industrial Policy 1999 is by far the most comprehensive document Bangladesh has ever made for investment including foreign investment. The major incentives for foreign direct investment in Bangladesh are as under: protection of foreign investment from nationalization and expropriation, abolition of ceiling on investment and equity share-holding by foreigners, accelerated depreciation in lieu of tax holiday on certain simple conditions, concessionary duty and VAT on capital machinery and spares, rationalization of import duties and taxes, six months multiple visa for prospective investor, citizenship by investing USD 500000 or transferring USD1 million, permanent residentship by investing USD 75000, tax exemption on capital gains under certain simple conditions, bonded warehouse and back to back L/C for exporting industries, avoidance of double taxation with certain countries, facilities for repatriation of capital, profit, royalty, technical fee etc., tax exemption on royalty, technical know-how and expatriates' salary, protection of intellectual property rights, taka convertibility in current account, treating reinvestment of reportorial dividend as new investment.

All these measures undertaken by the government has raised the interest to the foreign investor to invest more in Bangladesh. The inflow of FDI in Bangladesh over the last few years is shown in table below:

Table no.-5: Sectoral distribution of private capital inflows into Bangladesh

(Foreign Direct Investment in Bangladesh)

Profile of Capital Inflows (5 years averages) Million USD

Sectors	FY1996-00	FY 2001-05	FY 2006-10
Gas	134	218	114
Power	113	193	174
Telecom	17	17	17
FDI in EPZ	58	123	199
Other FDI	150	205	241
Total FDI inflow	472	757	744
Debt inflow	149	154	159
Total inflow:FDI+ Debt	621	911	902

Source: Bangladesh Bank Report, 2011

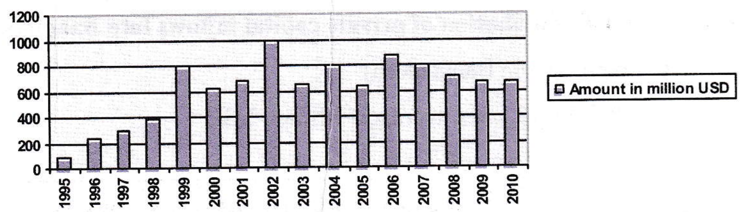
Table no.-6: Profile of Capital Outflows (5 years averages) Million USD

Sectors	FY1996-00	FY 2001-05	FY 2006-10
Gas	34	111	151
Power	13	156	340

Telecom	00	20	42
Other FDI	36	190	409
Total Profit & Income	83	477	942
Payment on Debt	46	117	229
Total out flow on			
FDI+debt	129	594	1171

Source: Bangladesh Bank Report,20011

Chart No.-1: Foreign Direct Investment Inflows in Bangladesh



Source: Bangladesh Bank Report, 2011

According to the World Bank's projection, investment inflows will average USD 900 million annually till 2010 and the principal sectors to receive the inflows will be energy, telecom, manufacturing and services. It has revealed that FDI and private foreign debt is increasingly becoming a significant source of financing domestic investment in Bangladesh-particularly in non-tradable such as energy and infrastructure services. Together these capital flows could account for over 2% of GDP in FY 99 and nearly 10% of gross fixed investment. Between FY99 and FY 2002, average annual inflows are expected to be around USD 0.90 billion.

6.4 Flow of Remittance:

Globalization has facilitated Bangladesh for the free movement of temporary workers across borders is expanded, for workers' remittances which have been playing an important role in its economy. Table No. Trend of flow of Remittance in Bangladesh

Fiscal Year	**Flow of Remittance (in USS Million)**	**Fiscal Year**	**Flow of Remittance (in USS Million)**
2000	**1806.63**	**2005**	**4249.87**
2001	**1954.95**	**2006**	**5484.08**
2002	**2071.03**	**2007**	**6568.03**

2003	3177.63	2008	9019.60
2004	3561.45	2009	9834.65

Source: Bangladesh Bank Report, 2010

According to a study conducted by Centre for Policy Dialogue (CPD), the required level of remittance in FY2020 for a consistent 4.0 per cent, 6.0 per cent or 8.0 per cent annual GDP growth, will be US$8.9 billion, $16.4 billion and $29.9 billion respectively. In other words, remittance in FY2020 will have to be 8.86 per cent, 11.69 per cent or 15.21 per cent of GDP to achieve a consistent GDP growth of 4.0 percent, 6.0 per cent or 8.0 per cent respectively.

7. Concluding Remarks:

Globalization has become a magical slogan these days. Some people have been led to believe that by its magic touch a country can become rich. Globalization, which is understood with reference to a country's foreign trade to GDP ratio or by composite criteria of ratios of foreign trade and foreign direct investments to GDP ratios, is said to have certain benefits to the globalizing country. If the necessary pre-conditions are met, globalization can be the key to sustained economic growth and generation of productive employment. In the developing countries like Bangladesh globalization has a very far-reaching effect on almost every sphere of life. In the question of economic development and growth it is even more being in this era of globalization. Globalization produced mixed results on the forces of economy. Global integration can open up huge opportunities and potentialities for Bangladesh.

7.2 Recommendations: A Way Out

7.2(a) Effective Strategies and Policies

Strategies should be harmonized both internally and externally. These should be growth oriented and business friendly. Country's economic and trade policies should ensure maximum benefits not only from the ongoing changes but also by anticipating future changes in vital sectors. The industrial policy must be attuned to domestic production and consumer-oriented sectors such as agro-based industries or to promising sectors such as IT [17].

7.2(b) Economic Reforms

Economic reform process has to be redesigned to boost industrialization. All stakeholders specially the workers need to be involved in the decision making process. Government should be fully committed to accelerate economic reforms that would lead to faster economic growth and poverty alleviation.

7.2 (c) Export Diversification:

The contribution of export growth to overall economic has been limited by the weak linkages that exist between the export sector and the other sectors of the economy. In the wake of this backdrop, diversification of the export basket is needed to promote stronger linkage in the economy. Exports of processed agricultural goods is a good option of the type of new export product that Bangladesh need to develop.

7.2(d) Enhancement of competitiveness and labor productivity:

Bangladesh needs to enhance competitiveness to increase export. While appropriate exchange-rate management is one way of at least partly achieving this goal, another instrument is to increase labour productivity. Better industrial relations promote labour productivity and lead to increased profitability and output. Besides, a partnership between workers and employers is also essential for increasing productivity and output at the enterprise level.

7.2(e) Sustainable Information and Communication Infrastructure

Bangladesh needs to strengthen the information and communication system of the country without further delay. Appropriate information and education system will be able to meet challenges of any nature from any source. The ability to grasp information and communication technology (ICT) depends on the capacity of the whole society to be educated.

7.2(f) Economic Diplomacy and Formation of Trade Bloc

Economic diplomacy must be played in the right earnest and in its proper context. It has to have its base on an export-led growth especially considering the needs of the nations underprivileged half, the feminine gender, the children and the poor. Diplomatic efforts should be undertaken for more Bangladeshi citizens to work abroad.

7.2(g) Public Private Cooperation

To face the challenges of globalization, cooperation between the public and private sectors are essential. Bangladesh lacks an institutional framework to foster meaningful cooperation between the two. There is no system of regular consultation between government and representatives from the private sectors[9]. Bangladesh needs to establish institutional mechanisms for building co-operative relations between the government and private sectors.

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