

Seminar on Bangladesh Economy: Opportunities and Challenges

Dr. Golam M. Mathbor, Professor & Director, Doctor of Social Work (DSW) Program in Human Rights Leadership, School of Social Work, Monmouth University, USA

Bangladesh celebrated the fiftieth anniversary of its Independence in 2021. The country has come a long way since its birth and, in 2020, graduated as a member of the middle-income countries category by maintaining a steady economic growth of 6 to 7 percent over the years. It has been able to hold on to its democratic processes over the years despite the numerous obstacles thrown at it periodically. Much of Bangladesh's economic growth relies on exports from the garment and remittance industries. Bangladesh is self-independent in food production now and needs to sustain this, in order to achieve the desired status to become a developed country by 2041.

There are some anticipated constraints in my purview. For example, GDP dependence on limited sources, like the garment industry and foreign remittances, is a potential risk. Total reserves in months of imports and national ownership of domestic expenditure have gone through fluctuations that would be alarming in the case of economic sanctions and the desire to self-govern. Therefore, the relative roles of market and government are important. Due to Russian invasion of Ukraine and global unrest, energy security may fall into question in the near future.

To minimize these challenges, we argue some possible solutions in our recent article, "Economic Independence of Bangladesh: An Empirical Assessment," where it was noted that Bangladesh needs to open the country's economic gates to manage and influence their own advantages of all productive resources. Dependence largely on trade may cause an economic risk for the country if the country's bargaining power is weak or the country is unable to gain comparative advantages.

The government intervention might necessitate allocating productive resources efficiently. Subsidizing agriculture production towards food security, increasing remittances

earning from exporting human capital, and pursuing multinational corporations (MNCs) to ensure maximum gain and increasing ownership in sea resources might all be priorities for the country. In doing so, the government infrastructure development under the Bay of Bengal Industrial Growth Belt initiatives is a game changer for Bangladesh's economic progress. Recently, the Japanese Prime Minister in his last visit to India announced that Japan would set up an industrial hub in Bangladesh with supply chains to landlocked north-eastern states in India, Nepal, Bhutan and beyond by developing Matarbari deep sea port in the district of Cox's Bazar, Bangladesh. However, environmental risks and sustainable use of maritime resources need to be assessed carefully and utilized properly as the dangers to the Bay of Bengal ecosystem are only now beginning to be understood. These dangers include prolonged environmental damage from a combination of deleterious global warming induced climate change and political instability in the region.

A serious investment in money and time is required to cultivate a relationship with foreign investors, but in Bangladesh, issues affecting the business process can be barriers to Foreign Direct Investment (FDI). These include inadequate infrastructure, limited financing instruments, bureaucratic delays, lax enforcement of labor laws, and corruption. FDI is needed to stimulate the economy and create jobs. The Bangladesh economy's reliance on foreign remittances and exports from the garment industry show vulnerability when there are economic downturns. A diversified economy is needed and this is where universities can play a crucial role in educating and training employees for a viable future in both national and international economies. Science.

As an educator and academic administrator, let me say a few words about the importance of higher education that produce human resources to strengthen economy. In a knowledge economy, universities do not just serve the market, they are part of the market. In USA, 1 million foreign students contribute nearly \$1 billion to state and local economies. A higher education system that is globally competitive could enhance Bangladesh's GDP significantly. Technology, Engineering and Mathematics (STEM) education is key to the economic future of the world. The 21st Century workforce requires STEM based education as most jobs require a high-level of knowledge in any one of the STEM fields. The linkage of industries and universities is pivotal

for the development of the R&D sector in Bangladesh. Economically robust countries such as Korea, Japan, Israel, Sweden, and Austria spend 3 to 4% of GDP on R&D. Increasing R&D investment by 2 to 4 times the current level would produce the greatest rate of economic growth. It is evident that low R&D expenditure hinders innovation and development. Organization for Economic Cooperation and Development (OECD) countries spend 2-3% of GDP on the education sector. International partnership is crucial for improvement of science and technology sector in Bangladesh. Both NRBs and Bangladeshi diaspora communities are prospering in many developed countries in the educational sector and professional fields, and their involvement and collaboration can significantly strengthen the higher education sector in Bangladesh.

Ensuring all these changes will advance the progress that has already been made for Bangladesh and its people.

References:

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