

Globalization: Socio-Economic and Political Effects on Bangladesh

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Abstract: The question of globalization has become one of the most potent subjects of concern for the contemporary social scientists. Globalization has been made possible largely due to the advent of information technologies and the creation of Information Super Highway. The world is really becoming a cosmic village and the reality is also being replaced by virtual reality. So, it is only natural that the phenomena of globalization apart from having impact on world cultures will also affect the socio-economic and the trading pattern of societies. It is widely accepted that the greater part of our social life is largely determined by the processes of globalization in which national cultures, national borders, national economics and politics are getting integrated with the global system.¹ The late 1980s and early 1990s, which marked the beginning of the end of the East-West conflict, the break-up of the Soviet Union and the collapse of communism made a triumph to a new era of globalization. The pivotal to this perception is the notion of increasing interaction of domestic economics with the global ecosystem in which domestic strategies of national economic policies are becoming inappropriate². The world economy refers to the geographic spread of economic activity across the national boundaries. Thus, the globalization transformed internationally dispersed socio-politico-economic activities into an integrated one. On the other hand, global integration is reflected on the growing share of international relations and the international political economy dominated by transnational corporations who owe allegiance to no nation-state but to the world market forces. This paper presents an overview of 'globalization' and its resultant effects on national economy, politics, society and family in a developing country like Bangladesh keeping in mind that the impact of globalization has brought about positive as well

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as negative effects on almost every societal aspect in the present-day world. The paper also suggests some remedial measures for avoiding problems that seem to have arisen out of the global culture.

I. Globalization's Impact on Bangladesh Economy

The impact of globalization on national economies is not a recent phenomenon. Industrialized nations and imperialist powers enforced globalization and liberalization processes of trade, finance and services since the late nineteenth century. By the middle of twentieth century it got its momentum; and during the third quarter of the twentieth century, there has been an enormous increase in the world trade and commerce. A glimpse of the global export reveals that the global GDP increased from about 6 percent in 1950 to 12 percent in 1973, and in 1992 it increased to about 16 percent. Similarly, the global exports went upto US \$ 315 billion in 1970 and to US \$3447 billion in 1990 from US \$61 billion in 1950³. There has been a tremendous expansion in the world trade, Foreign Direct Investment (FDI) and cross-border financial flows over the last ten years due to the worldwide wave of economic liberalization. The world is, therefore, transforming itself into a market place. Export-oriented industrialization strategy intending to the global market rather than import substitution has now become the norm of globalization⁴. Nayyar remarks:

"National boundaries should not matter for trade flows and capital flows but should be clearly demarcated for technology flows and labour flows. It follows that the developing countries would provide access to their markets without a corresponding access to technology and would accept capital mobility without a corresponding provision for labour"⁵.

In this context, the impact of globalization on Bangladesh economies may not be impressive but not

insignificant compare to that of the economy of some developing countries of the world. Paradoxically, Bangladesh inherited a colonial industrial policy framework, first from the British and then from Pakistan which was largely marked by a bureaucratic control with an emphasis on import substitution⁶.

Upon independence in 1971, the new government of Bangladesh nationalized all large-scale industries either deserted by West Pakistani entrepreneurs or all East Pakistani now Bangladeshi-owned enterprises with fixed asset exceeding Taka 1.5 million. The foreign direct investments were kept outside the purview of the nationalization scheme, but all new foreign investments were allowed to flourish in public collaboration and at the same time with minority equity involvement.

In the field of industry, the most significant policy reforms took place in June 1982 when the government announced a New Industrial Policy (NIP). The main purpose of NIP was to accelerate industrial growth through private sectors. The NIP was further liberalized in 1986 which aimed at expanding and strengthening industrial development under the Revised Industrial Policy (RIP), and that ultimately helped strengthening export promotion measures. The latest industrial policy was announced in July 1991. The main objective of the policy was to increase efficiency and productivity in the industrial sector by means of deregulation, privatization, trade policy reforms and expansion and establishment of export-oriented industries. But the performance of the manufacturing sector of Bangladesh is far from satisfactory as it failed to respond to the impressive reforms set by the government. It may be mentioned here that during the 1980s and early 1990s, the manufacturing sector achieved very little growth that varied between 3 to 4 percent. The average annual growth rate in

the first half of the 90s was about 5 percent but it declined to 3.3 percent in the fiscal year of 1996-97⁷. During the same period, the sector's share in GDP remained virtually unchanged. As for example, ready-made-garment industry, one of the most striking success story of Bangladesh industries, has achieved success largely by by-passing the banking system. It got most of its working capital from family contacts or from companies overseas via back-to-back letter of credit. But the garment industry as a whole appears to have stalled. The growth in manufacturing in 1996-97 amounted to little more than 3 percent.

Thus, the economy of Bangladesh is making little progress. With a GNP per capita of only US\$ 252, she remains as one of the poorest countries of the world. According to the UNDP's Human Development Index, Bangladesh position is 144th out 175. As mentioned earlier, the average growth rate varied from 4 percent to 5 percent in the last decade that was not much ahead of the current population growth rate of 1.8 percent. Assuming the 4 percent growth followed the pattern of current income distribution, the extreme poor currently earning 215 Taka per month (GNP pre capita 1997 US\$1= 40 Taka) would have to wait 23 years or more to rise above the poverty line. Only growth rate of at least 8 percent can derive Bangladesh forward with any sustained development.

It is obvious from the foregoing overview that the impact of the globalization that resulted in economic liberalization in various ways, Bangladesh economy has not yet produced expected results*. The negative impact of globalization process may be attributed to unsound policy formulation and inappropriate sequencing of reforms which failed to deliver the desired results. One explanation is that political instability and, law and order situation in Bangladesh is far from satisfactory which prevent reforms to be effective. It

is argued that for any country, political stability and social peace are to be the most essential preconditions for achieving any success whatsoever. In order to improve the situation, the government of Bangladesh may have to play a very dynamic, active and decisive role to reap the benefits out of the globalization process.

II. Globalization's Impact on Bangladesh Politics

In the foregoing chapter, we have been concerned with the economic aspects of globalization, and we have observed how the economic necessities and possibilities of a nation-state like Bangladesh are inextricably linked up with her governance which is the primary actor in meeting the pressing demands of the next century.

Bangladesh's capacity for governance as a new nation-state has been under constant political challenges such as fostering the transition to democracy since her birth in 1971.

The popular movements for democracy in the post-communist world and declaration of the Universal Human Rights inspired the men and women of different faiths, races and cultures across the world to get themselves liberated from the clutches of the authoritarian and colonial regimes.

Although Bangladesh's commitment to democracy and UN Human Rights were clearly reflected in her Constitution of 1972, the people of Bangladesh soon witnessed the defeat of democracy over authoritarian rule. It was the failure of the new rulers to resolve the clashes of the centripetal and centrifugal forces of social, economic and political cleavages clearly demonstrated their inadequacy as an agent for solving the problems of economic as well as political development facing the

country. Instead of creating conditions for a democratic settlement to these and other crises, the ruling authority deliberately abandoned the country's 2.5 years parliamentary democratic process and opted for autocratic rule on 25 January 1975⁹, when the Constitution (Fourth Amendment) Act was passed. This Act not only changed the pattern of the government from a parliamentary to presidential, it also abandoned the competitive party politics and introduced single party system named as *Bangladesh Krishak Sramik Awami League (BAKSAL)*, curbed fundamental rights of the citizens, controlled the freedom of the press and publications, and finally restricted the powers of the judiciary, the hallmark of a constitutional government.

Although, the subsequent regimes reintroduced multi-party polity and revived a pseudo-constitutional government in April 1979, Bangladesh remained as a highly centralized and bureaucratic state until November 1990 when a prolonged and violent anti-government agitation ousted the autocratic regime of General Ershad and paved the way for the return of parliamentary democracy in early 1991.

Thus, a new generation of Bangladeshis is getting the test of democracy. The successive parliamentary elections have been free and fair, and proceedings of the parliament are broadcast live on television and radio. There are only dozens of major daily newspapers in Bangla and English - all of them are fairly free to speak their minds. While the flesh of democracy is vigorous, the spirit is still weak. Part of the problem is that the long periods of autocratic rule enshrined a strong executive that still tends to undermine the parliament. Whereas, the millions of people are marginalized by their poverty from genuine participation in national politics. It is happy to note that both the

government and opposition have, however, recognized the problem and there have already been valuable innovations. These include a Prime Minister's Hour to answer questions, creation of effective Parliamentary Committees, reservation of the 30 percent parliamentary seats for women to be elected directly by the electorates.

The effect of globalization of democracy is further reflected in the plans to strengthen the Election Commission. These include new codes of conduct and new electoral laws that would make the voters aware of their rights and duties. The establishment of the proposed Human Rights Commission to enhance democratic processes in Bangladesh is a notable feature of globalization.

Bangladesh is a long way from a fully globalized system of governance. The deficiencies in democratic accountability and public administration have left huge gaps. Thanks to Non-Government Organizations (NGOs) of Bangladesh that have been largely funded by foreign-aid-donors have come forward to minimize the gap between elite and mass. In fact, the NGOs have become an effective and reliable means of reaching the poor and the government is using them as a channel for more than 10 percent of the country's official development assistance. However, the progress, in recent years, has been encouraging. The change is coming both from the top down and the bottom up. In the past, the ordinary people of Bangladesh have been poorly served by their existing political system. But now due to the infusion of globalization in our political outlook the national polity is in an increasing stronger position to respond to their needs¹⁰.

III. Impact on Society

It is not easy to analyse the economic or political aspects of globalization in isolation. Today, we live in a global society. 'It is not a unitary society, nor is it an ideological community or a state, but it is a single power network'¹¹. Here, globalization involves the development of something like a global culture.¹²

In this context, the society of Bangladesh is a melting pot of cultures, religions and races. The Bengalis are not homogeneous in origin. The population of Bangladesh by religion, according to a recent statistical survey was 86.6 percent Muslim, 12.1 percent Hindu, 0.6 percent Buddhist, 0.3 percent Christian and 0.3 percent comprised others. Despite the heterogeneous identity Bengalis hold, they have nevertheless united in ideological matters where history stands as witness. Remarkable examples of solidarity have surfaced during the crucial stage in the nation's history - the war of Liberation in 1971, being the most significant example. When the question of the nation's independence came up, the people were prompt enough to unite under the banner of Bengali nationalism. Again, nationalism is one of the components of culture and that has been transmitted around the globe, and thereby nationalism is 'a globalized and a globalizing phenomenon'¹³.

Although a developing country, globalization has had minimal influence on the Bengali society. Rather the society since her birth in 1971 is beset with a number of problems that are challenging the nation to redefine its place in the world. As for instances, education, environment, health, nutrition, urbanization, labour, and so on, in all these and in many more areas the society is struggling to survive.

Education: Like every other developing country of the world, Bangladesh has identified education as the key to prosperity and progress. But compared with 70 percent for developing countries as a whole, there is only 43 percent adult literacy rate in Bangladesh. Although the Government of Bangladesh is committed to education for all by the year 2000, and since the beginning of the 1980s, total government expenditure has increased in real terms more than three fold, the gross enrollment in the primary schools is not encouraging. There also, most dramatic response has been from the global organizations, like the various Non-Government Organizations (NGOs) funded and aided by the foreign donors. There are about 52,000 non-formal schools run by the NGOs. These schools also serve as springboard from where the children can jump into formal education. These models have proved so successful that since 1992, the government has supported more than 120 NGOs through its Integrated Non-formal Education Programme. Education in Bangladesh could be on the threshold of a new era. What remains to be seen is: if the country has the determination to carry out the reforms its survival and prosperity would be a must.

Environment: There is no doubt that the future of Bangladesh is inextricably bound up with the fate of the natural environment. The country is already facing severe environmental hazards. These include: intense cultivation that threatens soil fertility and swamps the country with agrochemical, excessive extraction of water for irrigation that depresses the water level, flood control measures that block fish migration paths; and commercial fish farming that floods agricultural land with salt water. Added to these is that high density of population (about one thousand per square kilometer), the pollution from human excreta and industrial production, and a host of other issues form

deforestation, to shrinking biological diversity, to the threat of inundation resulting from global warming, and Bangladesh has the makings of an environmental crisis. Recently, arsenic has been detected in tube-well waters in most of the areas of the countryside of Bangladesh. By this time, thousands of people were affected by the intolerable limit of arsenic in waters. If it is not checked, it may invade the whole of Bangladesh within the very short time. This is mainly because, the water level has gone down alarmingly due to the effect of Farakka Barrage.

Environmental concerns have only come to the fore relatively recently. But evidence of the seriousness with which they have been taken is clear from the National Environmental Management Action Plan (NEMAP). It started its functioning in 1992 with the financial support from UNDP, NGOs helped organize workshops all over the country. This programme has also attracted considerable foreign donor supports. The UNDP, for example, has a US \$20 million Sustainable Environment Management Programme to support the government effort to manage environmental hazards.

IV. Impact on the Family

From the dawn of human civilization, the family has been the focal point of bondage, love, affection, sympathy, and sometimes conflict resolution between the members comprising a family. From this perspective, a man in Bangladesh gets his identity through the family to which he belongs. Here, the family continues to exist as a primary unit that provides one of the strongest bonds, despite some intervening variables invading its pristine structural and functional norms.

In the face of a rapidly expanded global impact on industrialization, privatization or denationalization of the state-ownership, discovery of oil and gasfields and communication network, the family structure in Bangladesh is undergoing some qualitative and quantitative changes. The resultant effects of globalization have opened up many opportunities for the members of a Bangladeshi family. Their children have to find better professions and they are becoming better off. For instance, as a result of the introduction of open-market economy as well as industrialization and establishment of the export oriented ready-made garment industries, the society moved from an era of very limited resources to a somehow well-to-do society.

Another important factor of globalization, that is to eradicate illiteracy from the social life. In Bangladesh, the government is committed to remove the curse of illiteracy from the society by the year 2000 as discussed earlier.

It is interesting to note here, that so far the enrollment of the boys in all levels of education was much higher than that of the girls, but today, the ratio for boys and girls seems to be identical. Probably, this dramatic change in the field of education has been possible due to the response of the NGOs and other foreign donors. This is an example of globalization's impact on education in Bangladesh. Because the spread of education which is now available both for male and female has changed the entire life style. With this change, changes for employment have become available and resulted in the exportation of manpower and migration of labour forces. As a result, the pattern of traditional large families, is breaking into smaller families, the nucleus family.

It is observed that though the effect of globalization is greatly felt in almost in all the sphere of family life, they may not be taken as absolute. Bangladesh is primarily an agrarian rural society and most of the people living in posh urban areas, still maintain a link either with their parents or grandparents living in rural areas, or in urban settings. It appears that the nuclear families have not forsaken the values and bondage and kinship ties which are inherent in the joint family, and herein lies the basic difference between a Bangladeshi and the Western nuclear family. Despite the global implication of family values in the current century, the idealistic values and virtues of a joint family, which form a "School of love", are not totally done away with.

V. Overall Assessment

After the dissolution of the Soviet Union and the demise of the cold war era, a new political scenario has emerged in the world politics, called "globalization". The profound effect of globalization has clearly been reflected in the Annual Human Development Report of the United Nations Development Programme (UNDP). According to this report, the rich are getting richer and the poor are worse off in nearly every stage of a national life. The onslaught of globalization has further aggravated the divisions between the North and South. On the one hand, the globalization has opened up all the opportunities available in the entire world to the richer, dominant countries of the North, known collectively as the G7 and OECD, along with their multinational and transnational corporations, and on the other hand, it has brought miseries to the poorer and dominated countries of the South like ours.

The result is new threats to human security in both rich and poor countries, as people here fear for their jobs, their health, the survival of their culture and community, their environment and their personal safety. The UN Human Development Report further highlighted cultural dominance as a source of instability, noting for instance, that in Latin America, two-thirds of films and television programmes are produced outside the continent. The situation calls for a strong democratic governance - a set of rules and institutions at every level of a national life - to preserve the advantages of global markets and competition while ensuring that globalization works for peace, progress and tranquillity of the people, - not just for profits.

In short, globalization should cover the fields of ethics (less violation of human rights), equity (less disparity within and between nations), inclusion (less marginalization of people and countries), security (less instability and vulnerability), sustainability (less environmental destruction) and development (less poverty).¹⁴

To a South Asian country like Bangladesh impact of globalization at the national level is profoundly reflected in her national economics, politics, society and family as discussed above. Only democracy, and democracy in its fullest sense can utilize the opportunities offered by globalization, restore hope and lead Bangladesh to the prosperity it has always been yearning for.

Finally, globalization¹⁵ is not without its opportunities and potential: the world can be knit together, cross-fertilization of cultures can take place; transfer of knowledge that constitutes the only common wealth of mankind can become a reality. Should poverty, ignorance, superstition, lack of values still prevail in this borderless

world? What is needed, now, is not merely the effort to spread the micro-electronic chips but also the effort to see that people have access to potato chips, safe drinking water, basic minimum health care etc. Globalization will be successful only when we are prepared to treat the world population as one single brotherhood and are ready to live in a spirit of sharing and co-operation rather than in the spirit of deprivation and competition.

Notes

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For judicious overview of the world economic system, see R. Gilpin. (1987). *The Political Economy of International Relations*, Princeton: Princeton University Press; and I. Wallace. (1990). *The Global Economic System*. London; Unwin Hyman.
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3. Deepak Nayyar. (1995). *Globalization: The Past in our Present*, IEA; and also see M. Zainul Abedin. (1997). "Problems and Prospects of Globalization in a Developing Economy Like Bangladesh", *J. Inst. Of Bangladesh Studies*, Vol. XX, pp. 41-50.
4. A. R. Bhuyan. (1998). "Impact of Globalization on Growth, Employment and Industrial Relations in Bangladesh", *Social Science Review*, University of Dhaka, vol. XV, no. 2. p. 1; and also see World Bank (1996). *Economic Update*, p.2.

5. Nayyar (1995), quoted in Abedin (1997: 49).
6. Bhuiyan (1998:3); also see Bangladesh Planning Commission, *Draft Fifth Five Year Plan 1997-2002*.
7. Bhuiyan (1998: 6).
8. Bhuyan (1998: 8).
9. M. Nazrul Islam. (1998). "Parliamentary Democracy in Bangladesh: An Assessment", *Perspectives In Social Science*, vol. 5, pp. 52-53.
10. Human Development Prospects for Bangladesh. (1997). *The Horizon*, Dhaka, pp. 35-37.
11. M. Mann. (1993). *The Sources of Social Power*, vol. 11: *The Rise of Classes and Nation-States, 1760-1914*, Cambridge: p. 11; also see Ian Clark. (1997). *Globalization and Fragmentation: International Relations in the Twentieth Century*, New York: Oxford University Press, pp. 22-23.
12. R. Robertson. (1992). *Globalization*, London: Oxford University Press, p. 136
13. M. Waters. (1995). *Globalization*, London: Oxford University Press, p. 136
14. See the U. N., Annual Human Development Report, quoted in *The Daily Star*, Dhaka: July 13, 1999; and also see *Fifty Years of Universal Declaration of Human rights: An Overview* (1999). Dhaka: The British Council.