

Globalization and bangladesh

[Countries](#), [Bangladesh](#)



Globalization and Bangladesh Globalization and its effects in Bangladesh
4/11/2013 Innovative Boys ASSIGNMENT On " Globalization and its impacts
in Bangladesh" Course Name: Globalization and Business Course No: IB-302
Submitted to: Shamsun Arefin Lecturer Department of International Business
Faculty of Business Studies University of Dhaka Submitted by: Innovative
Boys 4TH Batch, 5th Semester Department of International Business Faculty
of Business Studies University of Dhaka List of group members: S. N | Name |
Roll | 01 | Jobayda Zakir Juthi | 05 | 02 | Md. Mahadi Hasan Manik | 10 | 03 |
Shahnewaz Kabir | 16 | 04 | Md. Jashim Uddin Mollah | 19 | 05 | Md. Jahir
Hasan | 22 | 06 | Ariful Islam | 39 | Date of Submission: 20 April, 2013
Acknowledgement This Assignment is the result of a co-operative and
mutually supportive exercise among the all group members. We take
pleasure to thank our honorable course teacher, Shamsun Arefin for giving
us the opportunity to work on such an important topic and for his genuine
support and valuable recommendation. We also thank other group member's
assigned same topic for being instrumental in providing information for the
report and providing all sorts of support. It was very refreshing to meet each
one of them and share our thinking and opinion with one another. However,
we recognize that our opinion, discussion, and conclusion including any
errors and omissions contained within this report are of our own. 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 played, has placed developing countries in a much disadvantageous position vis-à-vis the developed countries. However, a closer look at the globalization will show that it has both positive and negative impacts on the economy of Bangladesh. A thorough understanding of the effect of globalization is needed to use its advantages to improve her economy. This may also help Bangladesh maintain a sustained growth in the face of likely economic peril. This paper studies both negative and positive impacts of globalization on some selected economic sectors of Bangladesh. It also studies some ameliorative measures to overcome the negative impacts and also the ways to exploit the opportunities created. Finally the paper recommends some measures for Bangladesh to meet the challenges of economic globalization.

TABLE OF CONTENTS

Serial no	Name of contents	Page
01.	Introduction: 1. Background of the Assignment: 2. Origin of the Assignment: 3. Objectives: 4. Data Collection: 5. Limitations of the study:	6-7
02.	Definition of Globalization	8-9
03.	Scholar's comments on globalization	10
04.	Impacts of regional free trade agreement on Bangladesh economy	11
05.	Trade liberalization in Bangladesh and its role in export expansion	12
06.	Globalization impacts on Bangladesh	13-14
07.	The factors that make globalization beneficial for Bangladesh	15-16
08.	Impact of globalization on Bangladeshi economy, business and standard of living since 2000	17-20
09.	The ways of facing or overcoming the challenges of globalization	21-23
10.	The challenges or problems for Bangladesh to face the impact of globalization	24
	The negative impact of	

globalization on Bangladesh | 25 | 11. | Findings | 25-27 | 12. | Recommendation | 28-29 | 13. | Conclusion | 30 | | Reference: 1. Articles, Websites, Miscellaneous | 31-32 | Introduction 1. 1Background of the Assignment: Globalization is a much used term and there are diverse views as to how and why globalization is occurring this time around. The late 19th and early 20th centuries saw a globalization in economic markets, but we can see its pervasive and widespread impacts at the present time. Every country in this world enters into global economy and trying to cope with the pace of global economy. Bangladesh is one of the developing countries in the world and its economy has already being impacted by global economy. It is not possible for a third world country like Bangladesh to keep pace with global economy, because it is conceivable that the origins of globalization lie in the political decision by merely the developed countries of the world. Bangladesh' economy experiences a recession of industrial growth. The study is focused that there is strong opportunity for Bangladesh to boost its economy, but the socio-political situation should be favorable one to enhance savings and investment in this country. The study articulates some strong recommendations that could make Bangladesh even stronger to boost to compete globally to a greater magnitude. It is conceivable that Bangladesh needs to privatize its State- owned enterprise (SOEs) and should maintain an unassailable relation with World Bank, IMF and other donor agencies. It is a big challenge for Bangladesh to contend in global economy through considerable internal and external obstructions. The entire paper is arranged by giving a brief current economic condition of Bangladesh followed by an introduction initially; after then the next section is discussed

how Bangladesh economy impacted through regional trade agreement and. Later the paper discusses some constraints of Bangladesh economy and then it illustrates some basic recommendations that could make this economy stronger to compete with global economy. And at last a conclusion is illustrated that reflects the overall theme of this paper.

1. 2 Origin of the Assignment: The Assignment “ Globalization and its effects on Bangladesh” is prepared as a part of academic course requirement under the course instructor of Shamsun Arefin, Lecturer, Department of International Business, Faculty of Business Studies, and University of Dhaka.
1. 3 Objectives: There are a lot of objectives behind of this study. We are to fulfill the objectives. The objectives of our study are given below: * To know about Globalization * To know it’s effects on Bangladesh economy * To understand it’s opportunities on Bangladesh Business sectors * To know about worldwide interconnection * It’s impact on trade and it’s barrier
1. 4 Data Collection: * Secondary Data: Almost all of the data required for this Assignment will be from secondary source i. e. Wikipedia, Globalization related Articles, Websites etc.
1. 5 Limitations of the study: None goes in the world with perfect motion; by this we have few limitations of preparing our assigned topic “ Globalization and its impacts on Bangladesh”. The list of limitations are given below- * Very few related articles * Insufficient information in WebPages. * Overall Globalization strategy. * Customer responsiveness * Political instability effects * Insufficient knowledge as well as time constraints

Definition of Globalization: It is difficult to define. Globalization scholars regularly debate what is actually meant by the term. However, most agree on two things: * Globalization is happening * Globalization is a process of

increasing interconnectedness. Globalization: It is really an inclusive, holistic definition. Globalization is a process of increasing interconnectedness. The process includes economic, political, technological, social, and cultural connections between individuals and groups of people around the world. The consequences of globalization are not predetermined. Thus, an awareness of the potential good and bad arising from the globalizing process is essential to shaping the preferred outcome. Some Definitions Oxford English Dictionary (OED) | Globalization is “ the act of globalizing“; from the noun “ global “ meaning “ pertaining to or involving the whole world“, “ worldwide“; “ universal“ [| International Forum on Globalization (IFG) | “ Globalization is the present worldwide drive toward a globalized economic system dominated by supranational corporate trade and banking institutions that are not accountable to democratic processes or national governments | World Trade Organization (WTO) Director-General, Pascal Lamy | “ Globalization can be defined as a historical stage of accelerated expansion of market capitalism, like the one experienced in the 19th century with the industrial revolution. It is a fundamental transformation in societies because of the recent technological revolution which has led to a recombining of the economic and social forces on a new territorial dimension“ | The World Bank | “ Globalization - the growing integration of economies and societies around the world...” | United Nations Poverty and Development Division | “ While the definition of globalization varies with the context of analysis, it generally refers to an increasing interaction across national boundaries that affect many aspects of life: economic, social, cultural and political. In the context of this study, in order to keep the analysis within reasonable bounds, the focus

is only on the economic aspects, with particular emphasis on the role of ICT [information and communications technologies]. As such, globalization narrowly refers to the growing economic interdependence of countries worldwide. This includes increases in the international division of labour caused by swelling international flows of FDI [foreign-based investment], accompanied by an increasing volume and variety of cross-border transactions in goods and services, international capital flows, international migration and the more rapid and widespread diffusion of technology. This should not be construed to imply that social, cultural and other forms of globalization are unimportant, only that they are less germane to discussions of economic security and development" | | | | | Scholar's comments on globalization: * " Globalization means the partial erasure of the distinctions separating national currency areas and national systems of financial regulation." (Strange, 1995: 294) * " A social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding." (Waters, 1995: 3) * " Economic globalization constitutes integration of national economies into the international economy through trade, direct foreign investment (by corporations and multinationals), short-term capital flows, international flows of workers and humanity generally, and flows of technology" (Bhagwati, 2004: 3) * " globalization denotes a continuing process of accelerated and deepened social interaction on a global scale between formerly independent units" (Busch, 2007: 23) Impacts of regional free trade agreement on Bangladesh economy From the last decade Bangladesh joined into several trade agreements to accelerate its economy throughout the world. Seven

nations in the South Asian Region- Bangladesh, Bhutan, Maldives, Sri Lanka, India, Nepal and Pakistan have entered into a Preferential Trade Agreement (PTA) called South Asian Preferential Trade Agreement (SAPTA) in 1995. This agreement leads to The South Asian Free Trade Agreement (SAFTA) by the year 2000. The SAFTA is one path toward trade liberalization and is therefore supposed to lead to welfare gain and economic growth in region. Market efficiency is supposed to achieve through this free trade agreement. A deeper integration was offered through SAFTA. A regional currency was also offered that could be used as a unit of account for settling transactions under regional arrangements. It can also be used for funding the creation of regional public goods in the area of transport and communication, energy, information technology, tourism etc. Finally the setting up of South Asian Development Bank (SADB) was also given emphasis, where the fund would come from regional and international institutions and also from member governments (Muchkund 2005). Bangladesh has been facing a tremendous challenge by joining into this agreement. Since India is a giant in the region and also Pakistan as another important nation, Bangladesh has been struggling to face the dominance of India in this region. Trade imbalance between India and Bangladesh has been one of the most crucial issues in Bangladesh. India accounts for 14 percent of Bangladesh's imports, but contributes a little more than one percent of Bangladesh' export that is neither healthy for trade nor for mutually beneficial linkages for Bangladesh. Indian Government levied Anti- Dumping Duty (ADD) on the lead acid battery of all Bangladesh exporters on June 02, 2002, which exacerbated the trade dispute between Bangladesh and India (Islam 2004). Bangladesh entered

into BIMST-EC (The Bangladesh, India, Myanmar, Sri Lanka, and Thailand Economic Cooperation) in 1997. Bangladesh's exports increased only in India among the BIMST-EC countries, while as Bangladesh have been able to accelerate its export to the EU and especially to the United States (Warr 2005). It is also conceivable that unofficial trade between Bangladesh and India has been increased tremendously and this illegal trade almost double to the official bilateral trade between India and Bangladesh. Trade liberalization in Bangladesh and its role in export expansion Bangladesh has moved from an import-substituting inward oriented policy regime towards a more liberalized trade and market oriented regime. Since its independence, Bangladesh has been witnessed to growth per capita real GDP, value of trade and also an increase in income inequality. Bangladesh has gone through an industrial sectoral reform, financial sectoral reform and it also changed its export and import policies to accelerate trade liberalization with a view of having allocation of resources to those areas where Bangladesh has comparative advantages, which in turn will promote specialization and growth. In Bangladesh real total export increased by an annual compound rate of 6.18 percent over the period of 1974-1999, while during pre-liberalized era of 1972-1982, total export grew at inadequate rate of 1.02 percent in contrast of 8.69 percent during the post liberalization period. Manufacturing exports, led by textile and readymade garments especially since the mid 1980s grew at rates much faster than total exports in each period and the combined share of textile and garments exports rose from 13 percent in 1975 to 39.35 percent in 1985 and 66 percent in 1999. Bangladesh still needs further reform for sustain growth. IMF approved

US\$493 million loan in June, 2003 to the government to expedite economic development and reforms and IMF suggested that Bangladesh should strengthen state owned enterprises and monetary reforms. Bangladesh's economy has grown 5% in last few years and IMF in its World Economic Outlook released that Bangladesh experiences 6. 2% growth this year and in 2007, but half of the Bangladesh's people still live on less than US\$1 a day (The Wall Street Journal 2006). Globalization impacts on Bangladesh Impact on the Economy The Impact Of globalization on Bangladesh economy cannot be denied. Like the developing countries of the world our country is getting benefit out of border-less market. Our GDP has increased. Garment industries are considered the foreign exchange earner. In terms of investment, employment and exports, the functioning EPZs(Export Processing Zones) have been greatly successful. Impact on Communication With the impact of high-tech communication media and ultramodern transportation facilities, the world has come closer. Now we can learn instantly what is happening in the farthest region. Countries of the world have become like families in a village. They can share their joys and sorrows like next-door neighbors. Impact on Modern Technology Globalization is now largely based on a strong technological foundation. The electronic transfer of information via the internet has now created an instantaneous and inter-connected world of information resulting in a 24-hour trading network. This technology has largely changed banking and financial activities. Worldwide money transfer and transaction of businesses have now become a matter of clicking the mouse of a computer. Some products like software and TV schedules are also amenable to digital of electronic transmission. We can

now buy and sell goods through the electronic screen. Globalization is now only what technology makes possible. Impact on Politics After the fall of Soviet Union Communism fell down and the east -west conflict was resolved. Moscow was no mote rival to Washington. Each and every country turned into competitive economic market. The wave of globalization has also touched our politics. We can learn the democratic norms and values now. Bangladesh has got the taste of democracy. Impact on Sports and Recreation Sports play an important role in the development of international relationship. Many international sporting events are organized from time to time. These events are telecast worldwide by satellite and people all over the world watch them live. The sports venue becomes a meeting place of people from different countries. They come closer to each other, sharing views, opinions and friendship. Bangladesh is also the beneficiary of this opportunity. Impact on Education Like other developing countries of the world, Bangladesh has identified education as the key to prosperity and progress. Donor countries are contributing to the progress of our literacy rate and overall education. Various international organizations have responded dramatically with their generous aid in education sector. Many non-formal schools are being run. Meritorious students are availing themselves of the foreign study scholarship. Impact on our Culture Although globalization is mainly connected with business, trade and international relations, it is no longer viewed from that perspective alone. The tide of globalization is now encroaching into other spheres too. Satellite Television channels and the Internet are bringing all sorts of different customs and behavior into our homes. Under the influence of globalization, global culture are steadily

getting integrated with local cultures. Different cultures are constantly interacting. As an independent nation, we have our own traditional social values, beliefs and attitudes. But in the globalizing process, many foreign customs and beliefs are intruding on them. Impact on Family Globalization exerts influences on our concepts of family. Commercialization and rapid urbanization have resulted in breakdown of traditional large families into nuclear ones. Expanded rate of female education is another example of the impact of globalization. The factors that make globalization beneficial for Bangladesh

- * Cheap labor: In Bangladesh labor is really very cheap. That is the reason why some organizations are now willing to establish their factories and exploit the cheap labor. The figures given below will show how cheap our labor is. The labor cost of Bangladesh and its competitors
- * Existence of more unemployment: As Bangladesh is an over populated country. Many of its people are still unemployed. It inspires the overseas organization to utilize this unemployed labor at a very cheap rate.
- * Cheap child labor: We have already discussed that labor is really very cheap in our country but the fact is that child labor can more cheaply be used.
- * More unused resources: As Bangladesh is a developing country more of its resources are still being used. We also do not have enough capital or technology to make full use of these resources.
- * Geographic advantage: Bangladesh is situated in north-east Asia. It is really important for India. If they want to develop their seven sisters east of bangladesh they have to use Chittagong, Khulna and others transit points to minimize their costs. china is also interested to use Chittagong port and they also want to establish a deep sea port at sonadia at Chittagong. Bangladesh is also important to Nepal and

Bhutan as well. * Favorable FDI policy: Foreign direct investment is really important for developing country like Bangladesh. As we do not have the sufficient capital and technology so foreign direct investment will help us to remove these problems and create employment. Impact of globalization on Bangladeshi economy, business and standard of living since 2000

The GDP growth rate of Bangladesh The Gross Domestic Product (GDP) in Bangladesh expanded 6.30 percent in 2012 from the previous year. GDP Growth Rate in Bangladesh is reported by the Bangladesh Bank. Historically, from 1994 until 2012, Bangladesh GDP Growth Rate averaged 5.58 Percent reaching an all time high of 6.70 Percent in June of 2011 and a record low of 4.08 Percent in June of 1994. Bangladesh is considered as a developing economy. Yet, almost one-third of Bangladesh's 150m people live in extreme poverty. In the last decade, the country has recorded GDP growth rates above 5 percent due to development of microcredit and garment industry. Although three fifths of Bangladeshis are employed in the agriculture sector, three quarters of exports revenues come from producing ready-made garments. The biggest obstacles to sustainable development in Bangladesh are overpopulation, poor infrastructure, corruption, political instability and a slow implementation of economic reforms. This page includes a chart with historical data for Bangladesh GDP Growth Rate. The per capita income of Bangladesh The Gross Domestic Product per capita in Bangladesh was last recorded at 588.12 US dollars in 2011. The GDP per Capita in Bangladesh is equivalent to 5 percent of the world's average. GDP per capita in Bangladesh is reported by the World Bank. Historically, from 1960 until 2011, Bangladesh GDP per capita averaged 298.9 USD reaching an all time high of 588.1 USD

in December of 2011 and a record low of 210.3 USD in December of 1972. The GDP per capita is obtained by dividing the country's gross domestic product, adjusted by inflation, by the total population. This page includes a chart with historical data for Bangladesh GDP per capita. The performance of export by Bangladesh from 2000-2010 Source: Bangladesh bank The situation of number of expiates/ employers go to abroad from 2000-2010 Source: ministry of finance, peoples republic of Bangladesh The amount of FDI comes to Bangladesh since 2000 Source: world Bank The amount of remittance comes to Bangladesh from year 2000-2010 Source: ministry of finance The challenges or problems for Bangladesh to face the impact of globalization The study investigates specific information regarding the challenges of globalization faced by Bangladesh and how it should prepare itself to cope with the challenges. The result suggest that Bangladesh is not in comfort in coping with the winds of globalization, as it has less access to and use of different opportunities living at the margin in the hierarchies of global order with low technological base, poor infrastructures and governance in most arenas. The study also suggest that Bangladesh needs to be engaged with all its development partners in a healthy and constructive process of interaction on stabilization, reform program and other critical issues like national capacity building, competitiveness, political stability, cross border terrorism, arms and drug trafficking, climate change and environmental degradation. The policy implication is that various economic policy orientation and utilization of resources should be as such that they can supplement economic growth in a sustainable manner and create avenues for employment. * Lack of adopting Technology: Technology

has made the whole world a global Family. Sharing of culture, behavior and experiences have overcome the territorial boundaries. The challenges faced by Bangladesh in terms of globalization in social, political, cultural, economic fields are enumerated in the subsequent paragraphs. * The state of economy: The absence of law and order, the rampage by terrorists, the sway of fundamental fanaticism, the desperate situation of education, the crowding by the masses of unemployed people and the misery of millions of poor depict a picture of terrifying Hopelessness. The country is singularly resource poor. It does not have enough mineral or natural resources from which income can be easily generated to use for the welfare of its vast masses. The miserable state of human resources is a cause for serious concern. Looking at the deprivation level in the education, nutrition, health and shelter and judging the poverty and unemployment scenario, many observers note the inevitability of the state of nature in Bangladesh. * Lack of quality education: The learning materials are pedantic and rather formal and do not impart practical knowledge to the students. The teaching methods are archaic and irrelevant. The overall interest in education is limited because female education was not emphasized in the past. * Lack of sustainable democratic system: In Bangladesh, political leadership has been falling again and again in sustaining democratic governance. To ensure overall development of the country and to face the challenges of globalization, the present democratic process of governance of Bangladesh needs to be upheld at any cost. * Lack of lobbying and integration: We are not really very reactive nation. As a result we do not take any decision unless we have to take it. As a result some other countries are very careful about the

new opportunities which are coming to them and they can very easily grasp it. * Political instability: In Bangladesh it is really very common that whenever any political party rule the country they make some rules and regulations but whenever the opposition comes to government they change these policies. These frustrate the foreigners and local firms to invest here. * Power crisis: In our country now-a-days a major problems in the field of business is power crisis. We do not have sufficient amount of electricity, gas or other power resources to run business effectively and efficiently. And still our coal policy is hanging in the balance for a long time. * Hartal: It is not a new problem for Bangladesh but it is causing huge problems. For this many foreign businessman and organizations do not come to Bangladesh to invest and run their business. * Unskilled or semiskilled employees: In our country most of the employees are semi-skilled or unskilled. As a result the productivity is really very low and we won't be able to compete in the world market. On the other hand whenever our employees go to abroad for work, they are paid a very low amount of payments. Otherwise, our remittance will be more that what we actually get. * Searching for new markets all over the world: we are doing well but our main market is the U. S. A and the U. K or some other European countries. But we also should try to search for new markets. * Establishing new industries rather than RMG: besides improving the RMG sectors we should try to establish other industries. Because the world is changing and really very competitive. So at any time anyone can take our place so we should be diversified in exporting sectors. * Bureaucracy and rep tape: in Bangladesh the burecracy and red tape is a serious problem. Sometimes it is really very lengthy process to star your

business here. so, the foreigners become very frustrated with it. The ways of facing or overcoming the challenges of globalization * We should try to adopt new and innovative technologies, this will increase our productivity, enables us to compete in the world market * Our educational system should be more and more up to date * Sustainable democracy should be insured * Woman empowerment should be given preference * More and more lobbying and integration should be made with different countries all over the globe * Political stability should be insured and good decision should be accepted by both the government and the opposition * To remove power crisis new electricity plants, mining of gas, coal and other resources should be utilized properly * Hartal is main obstacle of coming FDI, so hartal should be banned * As we have unskilled or semi-skilled labor forces, they should be trained up by human development projects * Government should make more favorable environment for FDI * At last, I would say that we should not depend on only RMG, so other sectors should be patronized

The negative impact of globalization on Bangladesh * Exploiting the cheap labor: in the name of globalization the developed countries are exploiting the cheap labor, unutilized resources. And then they also make a huge amount of profits by this process * Brain drain: in the name of globalization the developed countries are taking away the brilliant students, professionals, doctors from the developing countries * Hard competition for local industries: it is really very hard situation for local industry to compete with the global organizations. Because they have more developed technology, man power, capital etc. * Exploiting the environment: Now all the countries are becoming urbanized. In this process the environment is polluting massively by the

polluted materials from different factories * More technology oriented: the globalization concept means to produce products as cheap as possible. So that's why technology plays an important role here. For this sometimes, many people have to lose their jobs. * Dependence on others: by this process we have to be dependent on others. Because they have invested their capital, the management and that's why they can dominate us as they wish. Findings Bangladesh's economy is one of the growing economies that try to keep pace with global economy. Since its independence, Bangladesh has been trying to get a good economic position, but there are various factors exist that restrain Bangladesh to get a good position in world economy. Bangladesh along is not responsible for this; it is conceivable that as a developing country Bangladesh needs to comply with the policies of international institutions and also with the policies of Western world. Logistics is one of the important components of a nation's economy that affects productivity, distribution, interest rate etc. Good logistic management involves designing an effective framework of two independent networks-one of product flows and another one of information flows that will facilitate a firms distribution of its product at the right place and at the right time as they are demanded by consumers Bangladesh has been struggling to develop this network; in fact logistic development is one of the big challenges for Bangladesh's economy. There are some major reasons of why Bangladesh's economy is struggling to keep pace with global economy. Poverty Poverty is the most significant reason of why Bangladesh's economy is struggling. Poverty causes wide disparity between rich and poor; especially in urban areas this disparity takes acute form. Poverty reduces productivity

of people and it makes people vulnerable. Corruption and lack of accountability Bangladesh has been identified as the most corrupted country in last few years by the Transparency International. This recognition certainly was not a good indication for Bangladesh and its economy. Since Bangladesh has been identified as the most corrupted nation, many countries possess a negative outlook for Bangladesh and do not expand their business spontaneously in this country. Industrial disparity between regional giants India has a apparent superiority over Bangladesh I terms of size, diversity and competitiveness. India's superiority in the industrial sector has made a low cost producer of most products compared to Bangladesh. Infrastructure related challenges that hinder Bangladesh's economy Inadequate transport and poor port related facilities are the major factors hindering the development of a logistic system in Bangladesh. These obstacles greatly reduce the flexibility logistics configuration for the firm. Increasing differences in economic power Increasing differences in economic power between developing countries and Western countries result in inequitable division of labor internationally. The Western countries constitute the core of the world economy and developing countries exist in the periphery of the global economy. Impact of non-tariff barriers on market access Non-tariff barriers may of various forms, such as export-import quotas, quantitative restrictions, anti dumping and countervailing duties, technical barriers to trade (TBT) etc. These non-tariff barriers of developed economies restrain market access of countries such Bangladesh. For example, in 1997 the EU banned imports of shrimp from Bangladesh because they did not comply with the EU's Hazard Analysis Critical Point standards (Picchiotto & Weaving

2004). Immoral system of IMF and the World Bank on Bangladesh's economy
The IMF's and World Bank's structural adjustment policies (SAPs) ensure debt repayment by requiring Bangladesh to cut spending on education and health; eliminate basic food and transportation; devalue national currencies to make export cheaper etc. This belt tightening measures increase poverty and reduce country's ability to exploit workers and the environment. Not cope with technological advancements The pace of computerization in Bangladesh business and industries is slow. Most of the enterprises in the public sector have yet to computerize their operations. Natural catastrophes Every year Bangladesh loses many resources due to the excessive floods, rains and cyclones. In 1998, three-fourth of the total land of Bangladesh went under water and Bangladesh had to sacrifice resources of million dollars. Recently Bangladesh has been affected a strong cyclone, Sidr, that causes huge monetary loss of this country. Recommendations Though Bangladesh economy is not sluggish, but Bangladesh is struggling to compete with global economy for various obstacles. Several measures should be taken in competing these obstacles and make Bangladesh economy a better one. Government level reforms It is true that Bangladesh government has taken some steps to upgrade its telecommunication and transport. Bangladesh government should continuously improve system capabilities to enhance the private sector participation. Government must set adequate policies to facilitate private investment. A well developed domestic market is also inevitable for better economy. This would require a drastic change of outlook of the policy makers, leaders and managers in business and industries. Monetary Policy Bangladesh bank must maintain a

close look on the growth of the monetary base or domestic credit creation. Extreme changes in relative prices are not necessarily inflationary, but in Bangladesh there has been rapid inflation and consequently, relative prices have changes only through the increase in the prices of certain goods and services. Inflation in this country actually conceals the impact to the extent that there is money illusion. There is no reason for monetary policy to be deflationary to the point of causing an economic contraction in the real sector. The policy should be carefully designed to accommodate institutional changes with positive economic growth.

Integration into World Markets

In Bangladesh, firms can be internationally integrated by means of ownership or by selling their products in foreign markets. In the readymade garments and leather/footwear industries, most of the firms are majority exporters; they sell more than 50% of their output in export markets. In contrast, in the pharmaceuticals industries there are no majority exporters. Attract free flow of FDI Foreign Direct Investment is inevitable for any developing economy. Bangladesh should create proper field to attract more FDI in industrial sector. India's booming software industries has been driven partly by FDI from firms like Sun Micro system, Intel and Microsoft, which attracted by India's well educated, inexpensive labor force. Productive investment Bangladesh needs substantial quality investment in the industrial sector and investment in those activities where we can produce more efficiently. The economic growth rate in Bangladesh is not necessarily constrained by insufficient savings; rather it is due to poor level of investment and lack of efficient use of capital.

Limited foreign capital assimilation

Every year Bangladesh seeks foreign capital for undertaking various projects. But foreign capital can be a

substitute for domestic savings only to limited extent. Foreign aid, commercial borrowing and portfolio investment can limit the expansion of savings by expanding consumption. The economy can fall into debt trap and the subsequent decline in the growth rate would be unavoidable. The government should immediately constitute a national committee on aid for trade to work on getting a better share of the aid-cake as well as adopt a foreign aid policy statement in consistent with the new PRSP (Poverty Reduction Strategy Paper) to make donors clear about the priority areas of aid. Conclusion The prescription of globalization is to open up economies through trade and investment liberalization, deregulation and privatization. It can strongly be said that Bangladesh's economy is trying hard to keep pace with world economy, even though this economy is going through some massive impediments. Recently Bangladesh's economy has been characterized by expanding flows of goods, services, labor and ideas through collective action by government, non-government organizations and other institutions. Two decades ago it was plausible that Bangladesh economy is struggling merely for massive poverty, but in recent year's poverty reduction is one of the most significant phenomenons for Bangladesh economy. Bangladeshi institution Grameen Bank (Village Bank) and its founder Dr. Muhammad Yunus most recently won the Noble Prize for Peace for introducing micro credit model in poverty alleviation that could be applied worldwide. Bangladesh is now introducing such models to alleviate poverty and its also improving IT and telecommunication sectors that would make Bangladesh a great competitor in world economy. If Bangladesh government could play an active role in fighting corruption and if there is a stable political

situation, Bangladesh would emerge as one of the strongest economy in the world in no time. Bangladesh dubbed as one of poorest countries in the world does not tell the whole story and solve the problems. Bangladesh has already showed tremendous progress in all sectors of economy, which is the platform for Bangladesh economy to compete strongly with the pace of global economy in near future. Reference Articles: * GLOBALIZATION AND ITS IMPACT ON BANGLADESH ECONOMY PROF. DR. M A JALIL State University of Bangladesh * Globalization: A way of Prospects and Threats for the Economy of Bangladesh Md. Saidur Rahman Sarker, ACMA* * CHALLENGES OF GLOBALIZATION: HOW BANGLADESH CAN ADAPT ITSELF TO REAP THE BEST BENEFITS IN THE 21ST CENTURY Lt Colonel Sharif Md Abul Hussain * Bangladesh and Global Economy: Does Bangladesh Keep Pace with Economic Globalization? Salahuddin Ahmed Office of Research and Publications (ORP) American International University-Bangladesh (AIUB) * Impact of Cultural Globalization on the Upper Class Youth in Dhaka City: A Sample Study Dilara Zahid * A thesis presented to the Faculty of the U. S. Army Command and General Staff College in partial fulfillment of the requirements for the degree RAHMAN MD FAIZUR, MAJOR, BANGLADESH M. D. S., National University of Bangladesh, 2004 Fort Leavenworth, Kansas, 2005 Websites: [www. childlaborofbd. com](http://www.childlaborofbd.com) , [www. turnbacktogod. com](http://www.turnbacktogod.com) , [curlygirlglass. blogspot. com](http://curlygirlglass.blogspot.com), [shiblysadik. wordpress. com](http://shiblysadik.wordpress.com), [www. bnpsbd. com](http://www.bnpsbd.com), [news. vanderbilt. edu](http://news.vanderbilt.edu) , [askstareonforclothing. blogspot. com](http://askstareonforclothing.blogspot.com) , [www. weirdlyodd. com](http://www.weirdlyodd.com), [www. bioearthinc. com](http://www.bioearthinc.com), [www. demotix. com](http://www.demotix.com), [www. world-weather-travellers-guide. com](http://www.world-weather-travellers-guide.com), [www. nowpublic. com](http://www.nowpublic.com), [www. urbanemissions. info](http://www.urbanemissions.info) , [bdinn. com](http://bdinn.com) , [arifulhbhuiyan. wordpress. com](http://arifulhbhuiyan.wordpress.com), [beautyqueenbangladesh. com](http://beautyqueenbangladesh.com)

blogspot. com , bangladesheconomy. wordpress. com, www.
thefinancialexpress-bd. com, www. sascofoods. co. uk , www. daily-sun. com,
garments99. blogspot. com, www. mostafagroup. com, www. emeraldinsight.
com, www. demotix. com, news. priyo. com, www. timesofummah. com,
www. roopokar. com, www. akkhan. com, www. tradingeconomics. com