

# The changing face of Bangladesh



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NOWADAYS, we are so busy coping with the changes in our day-to-day lives that we do not have the time to step back and think for a moment about how Bangladesh is changing and what the changes are. Let's take a trip down memory lane and try to figure out some of the significant changes that took place between 1990 and 2010.

Major changes took place in the telecommunications sector. Bangladesh was ranked 21st in the world, based on the number of mobile phones in use. As of September 2010, we had over 65 million mobile phones in use, which is about 40% of our total population. This is creating "synergy at the bottom of the pyramid" and also changing the way people behave in rural places.

There were no mobile phones in 1990 as Pacific Bangladesh Telecom, popularly known as Citycell, was just awarded the license and came into operation at the end of 1992. T&T landline connection has fallen from a sought-after necessity to almost an obsolete mode of communication. According to 2008 data, Bangladesh was ranked 67th in terms of number of land telephone lines in use, with 1.4 million connections. We can safely assume that the number has not gone up significantly in the past 2 years.

To the credit of the mobile operators, about 3% of the population have been brought under internet coverage, which was practically nil in the early nineties. The number of personal computers in use is around 5% of the population, with a ratio of 75:25 between desktops and laptops.

Five private FM radio stations have emerged as a new medium for entertainment. Personal time in front of television has gone up due to the increasing affordability of colour TV and increasing options through dish TV and about 12 private Bangla satellite channels. Now even small grocery shops in the corner of the road must have a TV, and there are always 10-20 people in the evening to watch whatever is going on.

On the other hand, TV time is decreasing among the urban young population. They are more inclined towards hanging out with friends on weekends, video-chatting on busy days, Facebooking, YouTubeing and the like. Today, over 850,000 people are using Facebook in Bangladesh, and the subscriber base is expected to rise exponentially in the coming years, not only for Facebook but also for other popular social networking sites.

The daily routine of a government or private service-holder twenty years ago was to work from 9 to 5, come home straight or after a little bit of shopping, and have afternoon snacks with wife and children. The whole

evening was leisure time, which people spent by listening to music, reading books, visiting relatives and the like.

Large-scale privatisation and increasing Foreign Direct Investment (FDI) have changed the daily routine of the households. The private sector has taken up the driving seat of the economy, more multinational corporations (MNC) have come in, local private companies are embracing the business practices of the world's largest MNCs through management level recruitments.

As a result, the workplace culture has become faster, delivery focused and deadline-oriented. This has led to flexibility in office timing. Some come in early in the morning, some work long hours to meet a deadline, and some carry the work home in laptops and attend to important emails while stuck in hours-long traffic.

Women empowerment has taken place in two distinct ways. Rural women have been financially active through micro-finance movement. On the other hand, more and more women in the urban areas are enrolling with universities, going abroad for higher studies and joining the corporate world. Seems like housewife as a profession has lost its charm among the young generation.

As a by-product, hundreds of day-care centres have cropped up. Some of them are run by government or non-profit organisations (NPO) and some are commercial. This business has lured every level of working mothers, from the garments worker to the top-tier executive. In these joint income families, no hot meal waits for the sole bread-earner because both the spouses work equally hard to attain the aspired standard of living.

Eating out has gone up as domestic help are highly sought after and also because people

have started appreciating the diversity of different cuisines. Almost every month there is at least one new fast food joint/coffee shop/restaurant propping up in the city's happening spots. For women, the amount of time spent with family has gone down significantly. Nowadays, unlike earlier times, they do not always accept the decisions of the spouse, rather, knowingly or unknowingly, they look up to their supervisor or co-workers for decisions.

Motor vehicles have become the main vehicle for transportation instead of rickshaws. Up to June, 198,439 motorcars were registered with Bangladesh Road Transport Authority (BRTA). Only 60% were registered up to 2003, and the remaining 40% were registered over the last 7 years (2004-2010). In a country where vehicle prices have gone up with the declaration of budget and fuel prices are have gone up gradually, private cars should not have been an obvious choice, but people prefer comfort and speed in daily life.

Both foreign and domestic air travel to and from Bangladesh have increased manifold. Apart from the national carrier, 3 privately owned Bangladeshi airlines and about 15 foreign airlines are operating to meet the fast-growing demand for air travel.

At least 27% of the country's population is urbanised, with an annual average urbanisation rate of 3.5%. We have seen mass migration to cities, especially Dhaka. Dhaka was marked as the "the city with the highest population growth in the world" by World Bank. It is still growing, with half a million migrants being added per year.

City people are now more eager to embrace festivals such as *pohela baishak*, *pohela falgun* and new-year celebrations with friends and family as a breath of fresh air in their busy life. As the society evolved, the mushrooming growth of English-medium schools, ladies' hostels, shared apartments for private university students, community centres, shopping malls, beauty salons, etc. was also seen. Amusement parks, resorts, and gymnasium have cropped up. Retail investment in capital market as well as the number of bank accounts rose in line with increase in relevant activities.

Well, not everything has changed in Bangladesh. For instance, public health scenario still remains archaic, quality of public education has not improved, transport situation has worsened, deregulation and policy adaptation has not been taken up the desired pace. Political parties still love to call strikes to the dismay of the business community, especially the exporters.

The two big ladies of the two large political parties have not joined any discussions "face to face" for the last twenty years. Civil bureaucracy is still playing the main role of being "bureaucratic." Here is hoping that some day we will be able to ponder over tremendous positive changes taking place in these neglected areas as well. Change has to happen, because change is the only constant thing in this world.

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## How to get arrested

LIFE is all about having new experiences, right? So today, boys and girls, we are going to commit a crime. Yes, a real live arrestable offence, right here on this page. I'll tell a joke. You laugh or groan, as applicable.

Q: What did the suicide bomber say to her husband?  
A: Does my bomb look big in this?

Ba-dum!  
Now we sit down and wait for the police.

Legal experts have declared that any jokes involving explosions are illegal, inside or outside airports. Arrests have been made in several countries.

Most famous is the case of UK trainee accountant Paul Chambers, 27, whose local airport shut down shortly before he was due to fly to see his girlfriend. From home, he wrote her a Twitter message, "They better get their s\*\*\* together before Saturday or I will blow the airport sky high!"

Police raced around to his house and arrested him. They said his text message was proof that he was a terrorist planning an atrocity. Everyone else realised that it was proof that he was an idiot.

Last week, the authorities denied his appeal, saying that it was the words that counted, not the identity of the speaker.

In the past two weeks, people have been arrested for travel-related jokes in Asia, the US, Australia and Africa. It's a crack-down on funny people!

I thought I was about to join them last week during a visit to a school. The children and I made up a story.

A small girl was playing the bad guy.  
"Mwah-ha-ha," she cackled in her best evil genius voice. "I will now destroy the world."

I put my finger to my lip. "Shh. You could get us arrested for terrorism." I scanned the hall in case any of the parents present might inform on us.

The little boy standing next to her raised an objection. "She's not really going to destroy the world. She's only six," he pointed out.

I was about to explain that top legal authorities has decided that it was the words that counted, not the person who spoke them, when the girl interrupted, "Oh yes I am," she said, "I am going to destroy the world."

This caused the listeners to laugh. I told them that they were aiding and abetting a breach of counter-terrorism policies. This caused them to laugh louder!

That night at the bar, I realised that the key issue is the fact that airport security officers wouldn't know a joke if a 10-ton one fell on their heads. How can we help them? Can we organise joke identification classes?

The following morning, I received an e-mail from a friend of someone who had been at the bar.

She said certain airport authorities were actually preparing joke identification courses for security officers. I am not making this up. Details will be gathered very soon.

Unless, of course, I have been arrested by then.

"Mr. Columnist, you are charged with threatening to drop an object weighing 10 tons onto the heads of airport security officers."

Guilty, my lord!

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# Captive in the prison of mercantilism

The problem is that, increasingly, the large surplus and deficit economies are, as in the classic dilemma, captive in the prison of mercantilism. As long as they are trapped in this edifice, each one's unilateral actions might be effective to hurt competitors, but also will boomerang with great force and inflict damage on the originator.

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WHEN they first met in November of 2008, the G20 leaders were right on target when they admitted that inconsistent and insufficiently coordinated macro-economic policies were among the chief causes of the horrendous crisis they were then trying to contain. They were also right at their September 2009 Pittsburgh summit when they kept the global macro-economic imbalances as their central concern, so much so that they launched a framework to "ensure that fiscal, monetary, trade and structural policies are collectively consistent."

However, and this was the bad news from Pittsburgh, the leaders agreed to implement the framework in a way that was condemned to be ineffectual. They adopted a sort of peer-review mechanism, giving the International Monetary Fund a mere advisory and secretariat role. That mechanism made it unlikely, if not impossible, that they would have robust policy recommendations ready for an executable agreement by the Seoul meeting, to which they committed in Pittsburgh. Regarding this objective, the Seoul summit was a failure. There is little in the G20 Seoul Action Plan reassuring the world that the tensions preceding the

summit will not re-emerge and worsen anytime soon.

Given the G20's failure to provide an effective mechanism for macroeconomic policy coordination, it's not hard to envision that, as deficit developed countries try to overcome their economies' sluggishness while the surplus emerging economies stick to the export-led strategies that yielded them high growth and strong recovery, the global imbalances will widen again. Even worse, the imbalances may not widen again, but for the wrong reason. What if each key player engages in a tit-for-tat strategy to undo strategies of its perceived competitors and in the end the imbalances don't widen because economic growth and trade are destroyed?

There's already evidence of the kind of contention that could lead to this worst-case scenario. For example, China is accused of being stubbornly attached to a weak renminbi policy to sustain its export-led growth model at the expense of other economies' expansion, and has become the chief target of punitive ideas. Bills in the US Congress to apply discriminatory import tariffs on China; imposition of capital-market restrictions to prevent China from purchasing US Treasury bills; countervailing currency interventions to upset China's own intervention in foreign-

exchange markets; and even outright suggestions to declare trade war with China are examples of ideas put forward by otherwise reasonable people. Frankly, these proposals are impractical, counter-productive, or even silly.

Seen from the other side, China is pointing, with reason, to the need for correction of structural factors -- chiefly too low savings rates -- by deficit countries, in particular in the United States, as a condition sine qua non to avoid a re-run of the huge macro imbalances. But China is wrong in denying its own share of the responsibility to fix the imbalances.

In the run-up to Seoul, global friction was all too evident. Actions, or at least talk, by a number of monetary authorities, including the US Federal Reserve's new quantitative easing, all carried a clear unilateralist imprint. The drums of a currency and trade war were beating. It may remain just noise, but the dispute may well become a real and bloody battle, seemingly worth fighting from each country's perspective.

The problem is that, increasingly, the large surplus and deficit economies are, as in the classic dilemma, captive in the prison of mercantilism. As long as they are trapped in this edifice, each one's unilateral actions might be effective to hurt competitors, but also will boomerang with great force and inflict damage on the originator.

The G20 did not provide a cooperative solution to the present dilemma because, again, they failed to deliver a practical strategy to honour the reasonable principle that all parties have a responsibility as well as a role to play, and all available policy instruments should be put to work. The G20 leaders failed because they did not empower seriously the IMF to carry

out its surveillance responsibility. They failed because they shied away from stating clearly that for rebalancing to happen, on the one hand, deficit countries need both to save more and sell more to the rest of the world and on the other hand, surplus countries must spend more domestically and sell less to the world.

The G20 failed because they didn't trash once and for all the absurd idea that the correction of imbalances is fundamentally a G2, or US-China, issue. Every significant economy -- deficit or surplus -- has not only a stake but also a responsibility for correcting the macroeconomic imbalances. This is clearly the case for Germany that has long incurred large current-account surpluses, not debated much before because they were disguised in the Eurozone's nearly balanced current account. Germany must reduce its large surplus in a way that both helps correct the global imbalances and enhances the probability of recovery of its euro partners.

Japan is another large surplus country that must take an active part in the rebalancing, undertaking structural reforms that would make it less dependent on foreign demand to sustain its level of economic activity. And the same applies to those emerging countries with large surpluses, which would find it healthier to rebalance their growth towards domestic demand, attract more exports from deficit countries and, in the process, accept some current-account deterioration. They would find the latter more palatable and also helpful in mitigating their appetite for large accumulations of foreign-exchange reserves if the G20 had delivered a mechanism of enhanced multilateral insurance against international liquidity droughts, which it didn't.



For very valid social reasons, China must seek to preserve its high rate of economic growth, which, by the way, is good not only for that country, but also for the world at large, and certainly for other developing countries. However, China must adapt its policies through a mix of structural reforms, more domestic investment and a more flexible renminbi -- but certainly not to the extent that some pundits demand in Washington and in other capitals of rich countries. It's worth insisting that China is in the fortunate situation of being capable of reducing its current-account surplus by raising investment, which in turn will raise its growth.

Undoubtedly, among the largest countries, the US has the most difficult balancing act to accomplish. It must, on the one hand, escape the low-growth high unemployment equilibrium now trapping it and, on the other, must undertake a practically unprecedented effort to correct the rapid expansion of its national debt. The cooperation among surplus and deficit countries that was not achieved at Seoul -- in part the fault of the US itself -- will make it much harder for that country to

rebalance its economy domestically and externally.

The G20 has made confrontation more likely not only by failing on macroeconomic policy coordination but also by not delivering in its commitment to conclude the Doha Round in 2010. Instead of getting the job done -- referring to Seoul of 2011 as "a critical window of opportunity" -- the G20 leaders might have actually closed the door for a successful conclusion of the round when most needed.

The Seoul outcome is truly worrisome. Addressing the question of global macro-economic imbalances in a cooperative way is the litmus test of whether the international community is capable of managing other imbalances of greater complexity, as economic and geopolitical power continues to shift substantially in the years to come. So far the G20 is flunking that litmus test.

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