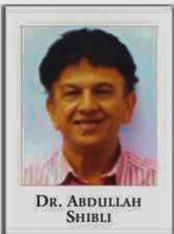


Bangladesh and the new economic world order



DR. ABDULLAHA SHIBLI

BANGLADESH has so far been watching from the sidelines as a major international shake-up currently takes shape in the global economic and political landscape. While all the major pieces of this new global scene, which I will call "The Twenty-first Century International Economic Order" (TCIEO), are not yet in place, we can sense from recent moves by USA, UK, Germany, Russia, and China that it will have USA and Russia forging greater ties, and China carving out its own area of influence in the Pacific Rim, and some major realignments of trade relationships. In this new TCIEO, international trade, which played a major role in economic development of developing countries, will witness some major realignment, and USA will play a secondary role in world affairs. Countries that are expected to take a leading role in the coming years are Germany, China, and India. For a trade-dependent country like Bangladesh, while its position as a major exporter of cheap consumer goods is secure in the short-run, it has to seize new trade opportunities that will open up by the constantly shifting cross-currents of the global supply chain. We need to stay ahead of the curve as competition is going to be intense, and only the most efficient producer will be able to take advantage of new technology, cost reduction, and constantly evolving taste and products.

Bangladesh has a huge stake in this international economic order. During the period of 1960-2015, Bangladesh has emerged as an open economy as measured by trade openness index i.e. exports plus imports

as percent of GDP, which was 42 in 2015. The average value during that period was 25.37 percent with a minimum of 11 percent in 1975 and a maximum of 48.11 percent in 2012. We are aiming for Middle Income Status by 2021, and on our journey along this path, we can expect our export-dependent RMG industry, other newly emerging export-oriented 'thrust' sectors, and remittances to boost our export earnings to top the USD 70 billion mark by 2021. Therefore, we need to forge new trade alliances, promote investment, both domestic and foreign, in our manufacturing, infrastructure and ICT sectors. The bottom line is, Bangladesh cannot remain a bystander as the world economy pivots and positions itself for changes that will define the New Industrial Revolution.

Since the Brexit vote in the UK in June and the US presidential election in November there have been concerns voiced in various quarters about the future of free trade. However, the current times are more than just a matter of trade relations; it is also about global geo-political alignment. Russia has started asserting its dominance and exerting its muscle power in Europe and the Middle East. And so has China. In the last three quarters of 2016, China's economy grew at 6.7 percent rising to 7 percent last month boosted by two years of monetary easing and fiscal stimulus. However, we are likely to witness some major changes in flow of goods, labour and capital in TCIEO. US might cut its demand for products that are labour-intensive, and Britain, while keeping its ties with EU, will be open to trade pacts with its former colonies including Australia, New Zealand and the Indian subcontinent, as well as the Pacific Rim nations with or without the USA.

What role will trade play in TCIEO? According to the Brookings Institution, the

global economic network has experienced its most significant slowdown in international trade in fifty years. Global trade increased 27-fold between 1950 and 2008, three times more than the growth in global GDP leading to a rise of the ratio of trade-to-GDP, which rose from 25 percent in the 1960s to 60 percent today. However, since 2009 this ratio has remained stagnant, and there is some speculation that this ratio might have reached a peak. These are legitimate concerns and particularly so for those who believe that free trade is largely beneficial for the world economy, and are aware that trade restrictions have either hurt the general population or led to military warfare in the past. Without giving away the central point of my argument, allow me to mention that it is an open secret that there are many uncertain elements that will unfold in the next few months, particularly after the new year, and we still need to watch and keep our hopes that 2017 will not bring as many shocks as did 2016.

Let me step back a little. Nobody foresaw last January that UK would vote to cut its ties with the EU, a body which has been heralded as the most important economic and political force since the end of WWII. While Britain waited until 1973 to join this group, since the fall of the Berlin Wall in November 1989 EU has developed into a major international powerhouse with 28 nations in its fold. EU started out as a 'customs union' where members decide to lower their tariff and remove non-tariff barriers, but it has concurrently made significant strides in other areas including free movement of labour and capital, and a common currency. With the Brexit vote, the British electorate appeared to have turned its back on all of this, and set a bad example for the rest of the world. However, the principal take away from the British experience is that often free trade is not a panacea and can hurt the common

people as much as it benefits others. In a recent op-ed piece entitled "The Challenge of Economic Inclusion", Christine Lagarde, managing director of IMF, decries any "retreat from free trade and open markets", and strongly advocates policies to address various forms of inequalities to preserve the gains from economic openness.

Finally, it would be wrong to interpret the Brexit vote as evidence or 'data point' showing that free trade is not beneficial. In fact, data shows that Britain has reaped enormous gains by joining the European market. And, we should note that one of the key goals of Theresa May's government is not to break away from EU completely, but to seek the same level of open market access that Britain had enjoyed before breaking away from EU. Britain's beef with EU is not about trade but about migration.

"Trade bashing" in the USA has been rising for some time. Many leading economists have voiced their concerns about promoting free trade agreement without policies in place to address the negatives, such as retraining and income support. Nearly two decades ago, Dani Rodrik, Professor of International Political Economy at Harvard University asked rhetorically, "Has Globalisation Gone Too Far?" Let's take the case of the North American Free Trade Association (NAFTA). US balance of trade with Mexico went from a USD 1.7 billion surplus in 1993 when the treaty was signed to a USD 54 billion deficit in 2014. Economist Dean Baker of the Centre for Economic and Policy Research (CEPR) argues that increased imports from Mexico caused the loss of up to 600,000 US jobs over two decades. Unfortunately, the benefit that free trade brings, particularly lower prices and increase in US productivity due to increased competition, got lost during a charged election season.

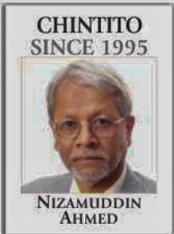
Nevertheless the 'resurgent protectionism'

seen in the USA and UK should not be seen as closing the world economy to trade, nor is it an indication that countries in the West are looking to raise tariffs on imports from emerging economies. In a proactive approach, world leaders raised their voice against protectionism at a recent gathering of the heads of state of the 21-nation Asia-Pacific Economic Cooperation (APEC). The host, Peruvian President Pedro Pablo Kuczynski, warned, "In the US and Britain, protectionism is taking over. It is fundamental that world trade grows again and that protectionism be defeated."

While global movement for freer trade received a setback after the demise of the DOHA Round, the sentiment among advocates of free trade is altogether pessimistic. One commentator observed, "With major trading countries holding positions that appear to be far apart, it may not be possible to negotiate anything at the WTO these days. And perhaps that is fine. The WTO has achieved so much already, and relying on it as the arbiter of existing rules may be enough. Currently, it serves as the main constraint on the use and abuse of antidumping duties, as well as protectionist domestic regulations. Having the WTO as the global oversight body for rules against protectionism is extremely valuable." A stalwart in this group, economist and Nobel Laureate Joseph Stiglitz offered some reason to be optimistic. "Globalisation has meant that the world economy has become integrated, that there cannot be a major downturn in the world's richest country without implications for every other country." And a final word from me. Brexit, demise of TPP, and the failure of the Doha Round do not mean the end of free trade; it is rather a reboot. Hopefully, we will live to see freer trade without the shackles of free trade agreements.

The writer is an economist who writes on international economic policy.

A tribute to a scout leader



CHINITO SINCE 1995

THE earth is not blessed every other day by a teacher as principled in his thought, word and deed, by a trainer as versatile in every aspect of training, by a person equally amicable to the young and the old as Monir Sarker Sir. These are not mere words to console the bereaved mind after the passing away of a near, dear and respected one, but an accolade to a Scout Leader who has dedicated his life to building the character of young people so that they may play a constructive role in society as worthy citizens of their motherland and planet Earth.

Scouter Monir Uddin Sarker, Leader Trainer, was distinguishable from afar, not only because he carried a lean and handsome stature that was over six feet tall, but because of his khaki hat. He could be mistaken for a hunter emerging from a forest in one of Rudyard Kipling's pages. In fact, he was lovingly called Baden-Powell of Bangladesh by people who adored and respected him for his uncanny resemblance to the founder of the worldwide scouting movement.

At closer encounter, one would be drawn as much to his sharp facial features as to his bass voice that delivered lessons in both Bangla and fluent English with equal dexterity. One was always intrigued by his command over a foreign language, and more so on learning that he was born and brought up in the remote village of Jaria Jhanjail in Jaria Union, Purbadhala Upazilla of Netrokona District, where three-fourth of the population is illiterate.

Hailing not far from the border of Meghalaya (India), the environs of rivers Mesmehwari and Kangsa, and hillocks must have swayed the little Monir Sarker to appreciate the beauty, might and potentiality of nature, his lifelong teacher. He was an ardent farmer, proud to be a son of the soil, and harvested from his own sowing, taking great delight in reaping fruits from the trees



Scout Leader Monir Uddin Sarker in the centre.

that he nurtured. In the non-Google days, he was the search engine for information sought by scouts and scout leaders.

A schoolteacher in a laid back village Monir Sarker emerged as one of the most versatile Leader Trainers (internationally recognised highest rank in scouting training) of Bangladesh Scouts. He was most passionate about the correctness of scouting education, and continued to render his valuable services, enriched with experience, long after his retirement.

At training courses, where he was a member of the training staff, he barely slept. He used to prepare lessons and charts, and organise course equipment deep into the night so that there was no flaw the following morning. He took it upon himself to uphold the standard of training,

endearing hundreds of trainees for life.

He possessed a shrewd sense of humour, living by Baden-Powell's dictum that a scout is "cheerful under all circumstances". He would narrate how his leader, Moulana Abdur Rouf, after repeatedly telling his charges while travelling by ship to Karachi in 1967 for the 4th Pakistan National Jamboree to report of any difficulty, began to vomit all over the deck when the sea took to rolling. That, and an invitational trip to Japan were perhaps his only overseas voyages.

There was a child in Monir Sarker. Among his hobbies was collection of coin and scouting mementoes, and he had a passion for socks of other countries, humbly accepting them as gift from other scouters who could afford international travel. Despite his limitations, Monir Sarker's lasting lesson for

our society is that smart global knowledge can still be acquired through books and other reading materials.

Apart from rendering invaluable service as a trainer on scouting, in which he possessed multifaceted knowledge, Monir Sarker was a deft performer at campfires. He would enthral participants of all ages with his song, dance and poetry glowing in the aura of burning firewood in the depth of a forest. His dance rendition of the scout chorus, "Make a melody in my heart" as an octogenarian shall continue to epitomise the adage, "A scout is cheerful under all circumstances".

Decorated with the highest Silver Tiger award of Bangladesh Scouts, an honour bestowed by the country's Chief Scout, the president of the People's Republic, Monir Sarker was most passionate about the scouting

movement and continued to render his valuable services, enriched with experience, long after his retirement. He had achieved many other laurels including the Silver Hilsa, the second highest award, a mark of distinction conferred also by the president of the country, our Chief Scout.

Such was his devotion to and enthusiasm for the movement that in the third week of October this year at the ripe age of 86 the schoolmaster was imparting lessons at a scout training course at the Regional Scout Training Camp, Muktagacha, not far from his village. He fell sick and was literally persuaded to receive medical attention at Mymensingh Sadar Hospital. Three days later, on 23 October, Sir breathed his last.

His invitation to scout leaders to visit his village was open. Good humouredly Monir Sir would often say, "In the mornings a barber will shave your chin, a cobbler would be ready to shine your shoes, I will offer you fishes shing, koi, magur and boal from the haor." Almost no one was enticed till a representation from Bangladesh Scouts went to attend his funeral prayers and burial. His coffin was draped in the Scouts flag, in solemn silence stood thousands, the void ringing many miles around his ancestral home.

Not without his human faults, he rests in what we pray is eternal peace at his village. I regret not keeping in touch with him over the past year. We are so busy that we often overlook the fragrance in our own garden. I wanted to give you Sir some coins to add to your collection; I told you so, and you were so interested to get them. I still have them, lying in my drawer.

A great leader, always cheerful, he is comparable to only himself. Salute, leader, salute. You have been my inspiration, and that of thousands. It will be difficult to find a trainer of your calibre, although you have been most generous to share your wisdom. May Allah (swt) grant him sterling abode in Jannah, that which is reserved for the angels among us mortals.

The writer is a practising Architect at BashaBari Ltd., a Commonwealth Scholar and a Fellow, a Baden-Powell Fellow Scout Leader, and a Major Donor Rotarian.

QUOTABLE Quote

SAMUEL SMILES
SCOTTISH AUTHOR AND GOVERNMENT REFORMER

Hope is like the sun, which, as we journey towards it, casts the shadow of our burden behind us.

CROSSWORD BY THOMAS JOSEPH

ACROSS

- Punch ingredients?
- Light lunch
- Indian, for one
- Desert plant
- Twisted guy
- Tiny holes
- Eccentric
- Quill need
- de France
- Talkative folks
- Rent out
- Decorative
- Dramatic no-show
- Vacillate
- Hurt responses
- College exam
- Snap
- Bordeaux buddy
- Coped
- Egypt neighbor
- Writer Blixen
- Mystery writer Peters
- Wipe away
- Oozes

DOWN

- Paleontology topic
- Eaves dropper
- Confidential
- Appropriate
- White flyer
- Easy victim
- Before now
- Rodeo rope
- Pay back
- Editor's bases
- Rigging support
- Machine on the slopes
- Diamond club
- Acquire
- "Cold as ice," e.g.
- Like some mushrooms
- Met offerings
- Most broad
- Treats with tea
- Bulls and bucks
- Challenge
- Puppy cry
- Burro

YESTERDAY'S ANSWER

S	I	F	T	S	G	A	M	E	S
A	D	O	R	E	A	P	O	R	T
L	O	R	E	N	G	O	R	G	E
T	A	T	A	S	T	O	P		
C	H	I	T	A	N	T	I		
O	A	F	T	A	I	L	F	I	N
A	L	I	C	E	K	E	I	R	A
L	E	C	A	R	R	E	C	O	P
P	R	I	M	O	P	A	N	S	
S	I	T	E	W	H	E	T		
A	M	O	U	R	N	I	T	E	
S	A	N	E	R	K	E	N	Y	A

BEETLE BAILEY by Mort Walker

WHERE DO YOU WANT TO GO FOR OUR PICNIC, BEETLE?
A LITTLE FARTHER
50 MILES IS MY COMFORT ZONE
CAMP SWAMPY 30 MILES

BABY BLUES by Kirkman & Scott

LISTEN TO THIS
ONCE UPON A TIME, THERE WAS A GIRL NAMED ZOE WHOSE DAD BOUGHT HER A PONY AND SHE LIVED HAPPILY EVER AFTER.
VERY CREATIVE.
DOES THAT MEAN YOU LIVE IT?
IT MEANS THAT IT MAKES RUMPLEDILTSKIN SOUND LIKE A DOCUMENTARY.