

How to boost FDI

Some ideas from the Bangladesh Rising Conference at Harvard

AN OPEN DIALOGUE



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At some of the conferences on Bangladesh held in the USA, particularly at Harvard University, I have noticed that introductory speeches often mention Henry Kissinger and his infamous remark about Bangladesh being a "basket case" or "bottomless basket". At the recent

Bangladesh Rising Conference, on September 16, Professor Tarun Khanna of Harvard University and Professor Kaushik Basu of Cornell University both used the basket case paradigm to highlight Bangladesh's economic prosperity since our Independence.

Tarun Khanna, the Jorge Paulo Lemann Professor of Harvard Business School, reminded us that it is time for the rest of the world to recognise Bangladesh as an emerging powerhouse in South Asia and consider it as a viable destination for their investment.

It cannot be denied that the basket case allegory always evokes a positive reaction from the crowd. At the Bangladesh Rising Conference, speaker after speaker then used Kissinger's scepticism about Bangladesh's viability as a sovereign entity to pronounce in one voice, "Look how far they have come!" One speaker even suggested that Henry Kissinger should be held accountable for the misguided US foreign policy during Bangladesh's Liberation War and blamed Samantha Power, President Obama's close national security adviser, for letting Kissinger off the hook.

The one-day conclave in the basement of the Gutman Library of Harvard Graduate School of Education was sponsored by Lakshmi Mittal



and Family South Asia Institute, of which Khanna is the Director. The Mittal Institute brought together scholars, representatives from Bangladesh government, Bangladesh private sector executives, and NGO leaders to "celebrate the country's successes thus far and to critically examine some of its anticipated future challenges" in recognition of the nation's approaching its 50th anniversary.

The ostensible purpose of these gatherings is to draw global attention to Bangladesh as a potential destination for foreign direct investment (FDI) and to showcase the efforts of the Sustainable Development Goals (SDG) initiative. In one of the remarkable statements made by Abul Kalam Azad, Principal SDG Coordinator of Bangladesh, he announced that Bangladesh should be able to meet SDG 1 (No Poverty) and SDG 2 (Zero Hunger) within the next few years and well ahead of the 2030 deadline.

However, some scholars at the conference were not convinced by the SDG coordinator's logic. As Tareq Hasan wrote in an op-ed on September 22, 2019, the future "scenario becomes even more dismal if we consider the higher thresholds of poverty line benchmarked by the World Bank, which is USD 3.2 or USD 5.5 per person per day, instead of USD 1.9—typical of lower-upper

middle-income countries."

What are the takeaways from this year's conference? First and foremost, the government and its leaders are successful in convincing the rest of the world that Bangladesh has worked hard to shake off the image that the US government and its allies tried to create in the early days of our independence.

Kaushik Basu, who is currently the Carl Marks Professor of International Studies and Professor of Economics at Cornell University and served as the Chief Economist of the World Bank, presented the case that Bangladesh has overtaken its neighbours, India and Pakistan, in many areas, particularly per capita income and social development of women. He and others also pointed out that the role of FDI in Bangladesh needs to grow and the institutional and infrastructural barriers are still formidable. Among those attending the conference, the secretary of finance along with the executive chairman of Bangladesh Economic Zone Authority (BEZA) were unanimous in their promise to ease any remaining hurdles that stand in the way of increased foreign investment.

Some of the speakers touched upon the challenges that Bangladesh faces to reach middle income status and draw foreign investors in

greater numbers. FDI in Bangladesh is still minuscule in comparison with its neighbouring countries, according to Khalid Quadir, Managing Partner, Brimmer & Partners. Quadir raised the issue of foreign investors being concerned about the difficulties they face when they decide to restructure their portfolio. "We still have a long way to go in terms of policy streamlining and stabilisation," he mentioned.

Last year, FDI in Bangladesh was USD 3.6 billion whereas it was USD 64 billion in India. What would it take for Bangladesh to attract a bigger chunk of the international capital flow? One speaker suggested that policymakers could turn to Sri Lanka, Vietnam, and the Philippines, in addition to India, to identify the factors that make these countries draw more FDI.

According to a study by UNCTAD, the development of new economic zones drives greenfield investment activities, particularly in the construction of industrial establishments and power generation such as the construction of zones in Indonesia, Thailand and Vietnam. Manufacturing and services, particularly finance, retail and wholesale trade, including the digital economy, will in future continue to underpin inflows to the South Asia region. Robust investment from Asian economies and strong intra-ASEAN investments supported FDI growth in the subregion.

"The prospects for FDI flows to the region in 2019 are moderately optimistic, thanks to a favourable economic outlook and ongoing efforts to improve the investment climate in several major economies," according to James Zhan, director of UNCTAD's division on investment and enterprise. However, the recent decisions by Sanofi and SKI to pull back from Bangladesh have raised some concerns among various observers at the conference.

Kaushik Basu, who served as the Chief Economic Advisor to the Government of India from 2009 to 2012, had some words of advice and caution for Bangladesh in three areas: labour laws, diversity, and transparency. In comparison to India, Bangladesh has less restrictive labour laws and this facilitates employment. In India, employers are bound by British-era laws which make it difficult to downsize during tighter market conditions which impact their decision to hire.

In response to a question on growing income inequality, Basu cautioned against strong laws that might harm growth of entrepreneurship and stifle domestic investment.

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How mosquitoes find their human targets

One way scientists can fight back

MD ASADUZZAMAN MIAH

MOSQUITOES, both male and female, feed mainly on fruit and plant nectar, but female mosquitoes also need blood protein for developing their eggs. Female mosquitoes, therefore, search for blood by using a variety of clues to track down humans, including our body heat, sweat and the carbon dioxide in our breath.

Like other insects, mosquitoes use their antennae (a pair of sense organs located on their head) for searching. The olfactory sensory (sense of smell) in their antennae is mainly responsible for locating humans. They also use their vision to spot a host and thermal sensory information to detect human body heat. Thus, mosquitoes combine the information through olfactory, visual and thermal systems/senses as clues to map out the path to getting blood from human targets. However, mosquitoes can also pick up other clues that signal that a human is nearby.

From recent research, it has been discovered that a certain olfactory receptor (sense of smell) in their antennae serves as a detector of humans, responding to smell chemicals in human sweat. Scientists have identified a unique olfactory receptor that is used to detect these odours in mosquitoes. The scent of



human sweat is like a mouthwatering aroma to mosquitoes. Scientists, recently, have discovered how human sweat is used as detectable odour by mosquitoes. It is the odour from lactic acid and other acidic volatiles found in human sweat, and mosquitoes are attracted to them.

Scientists, even in the 1960s, knew that the sweat and lactic acid is used by mosquitoes for detecting humans, but no one knew how it actually functions. For more than 40 years, people had been looking for the answer to how it worked. Fortunately, this receptor

has now been identified and is known to scientists as Ionotropic Receptor (IR8a).

A mosquito can sense exhaled carbon dioxide from a distance of more than 30 feet. By detecting carbon dioxide, it begins to trace human odour. The mosquito follows this odour and, when it gets very close, starts to detect body heat. Once mosquitoes land on the human body, they can actually taste the skin with their legs and then they look for a place to bite.

Scientists, in recent research,

by creating the first-ever mutant mosquitoes through Crispr/Cas9 technology (gene editing tools), were able to remove a gene and investigate how the absence of that olfactory gene (IR8a) changed the mosquito's behaviour. They genetically altered mosquitoes to block the activity of this specific olfactory receptor (IR8a). The result showed that the blood feeding female mosquitoes were no longer attracted to lactic acid.

Accordingly, a variety of lab tests have been done to see if disrupting this receptor would make mosquitoes less responsive to humans. Scientists asked people to put their hands into a device called an "olfactometer" that let mosquitoes smell them from a distance. Captive mosquitoes could fly through the device to get close, but not close enough to bite. The tests showed that mosquitoes that were genetically altered to disable this olfactory receptor in them were significantly less likely to fly toward the human skin. The researchers also had people in the study wear nylon sleeves for about 12 hours to collect sweat. Then they put these sleeves into the olfactometer. Again, mutant mosquitoes were much less attracted to the scent than the normal mosquitoes.

Mosquitoes are known to transmit dangerous and sometimes deadly diseases to humans, including dengue, chikungunya, yellow fever

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and Zika. Scientists are finding ways to overstimulate parts of the mosquitoes' human-detection system that might help to create a powerful repellent.

Blocking the IR8a pathway could be an important strategy in this repellent design. Removing the function of this receptor removes approximately 50 percent of the host-seeking activity of mosquitoes. The ultimate goal of the research is to create a life-saving perfume to protect humans from mosquito bites. So, we can hope that in the near future, there may be a kind of a perfume or something similar that we can spray to prevent mosquitoes from detecting our sweat and in the process, manage to keep them at bay.

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ON THIS DAY IN HISTORY



September 25, 1513
Pacific Ocean sighted by Balboa

On this day (or two days later) in 1513, Spanish conquistador and explorer Vasco Núñez de Balboa, standing "silent, upon a peak in Darién," on the Isthmus of Panama, became the first European to sight the Pacific Ocean.

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BEETLE BAILEY

by Mort Walker

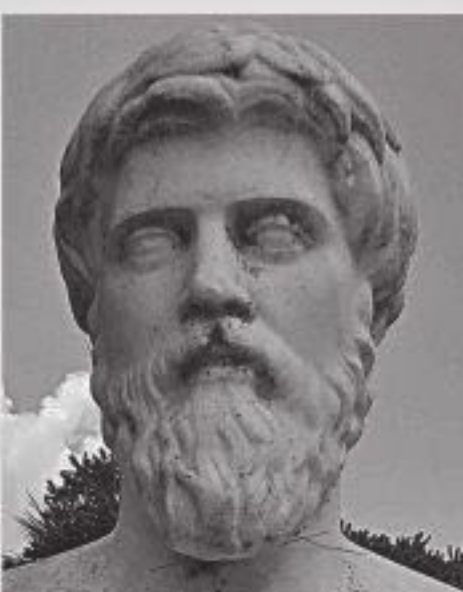


BABY BLUES

by Kirkman & Scott



QUOTABLE Quote



PLUTARCH

(c. AD 46 – c. 120)

Greek biographer and essayist

The mind is not a vessel to be filled but a fire to be kindled.