As the world rediscovers industrial policy, we must rethink protectionism



Abdur Razzaque is an economist who serves as chairman of Research and Policy Integration for Development (RAPID). He can be reached at m.razzaque@rapidbd.org.

■ ABDUR RAZZAQUE

In March 2026, the World Bank brought out a major publication, Industrial Policy for Development: Approaches in the 21st Century, in which its authors, Ana Margarida Fernandes and Tristan Reed, thanked the WB's Chief Economist Indermit Gill for providing them, among other things, "freedom" to arrive at their own conclusions. Industrial policy, after all, has long been an uneasy subject for the World Bank. Gill himself, in the foreword to the same publication, recalls that roughly three decades ago, the WB took a position that helped "stigmatize" industrial policy as a costly failure outside a few East Asian cases.

The March 2026 publication took a noticeably different view: industrial policy is difficult, risky, and demanding, but it is also more replicable than previously thought to be and can no longer be dismissed as an exceptional East Asian story. This reassessment comes at a time when global trade is witnessing a major shift away from the easy certainties of liberalism and open markets. This is clear to see in the richest and most influential economies, especially those in the G20. While just about 1 percent (or $115 billion) of G20 imports in 2010 were subject to some form of restriction, including tariffs and non-tariff measures, the stockpile of such measures rose to cover $2.33 trillion, accounting for 12.7 percent of G20 imports, by 2024. By November 2025, it reached about $4 trillion, or 22 percent of G20 imports.

Developing economies have also widely used trade and industrial policy instruments. The WB report also mentions that low-income economies have the highest average tariffs, while upper-middle-income countries make heavy use of business subsidies. The WB is revisiting industrial policy at a moment when the most influential economies have become far more willing to use protectionist policies and strategic trade instruments than they were prepared to admit a generation ago.

The reasons behind this shift are not difficult to see, as many previous assumptions about trade competitiveness, technology, and industrial strength have been unsettled by China's rise. For a long time, the dominant argument was that open markets and global value chains would allocate production efficiently, and that countries would gain by specialising according to their comparative advantage. That confidence has been badly shaken as US-China rivalry intensified and the WTO-centred multilateral trading system became increasingly paralysed. International trade is no longer seen only as a matter of prices, efficiency, and consumer welfare. It has also become a question of geopolitical influence, technological leadership, and national security.

The decades-long protectionist regime has failed to make industries globally competitive or diversify exports. The impending LDC graduation makes the challenge more urgent, as future market access through free trade agreements (FTAs) and other arrangements will increasingly depend on reforms in tariffs, customs procedures, standards, compliance and domestic regulation.

During Covid, Western economies discovered, rather uncomfortably, how dependent they had become on China, or on a narrow set of suppliers, for critical goods. What had earlier been celebrated as efficient global sourcing suddenly looked like strategic vulnerability. The parlance of trade and growth changed as well. Efficiency did not disappear, but it was no longer enough. Resilience, security, domestic capability, and trusted supply chains entered the centre of trade policy thinking.

This global resurgence of industrial policy creates an awkward irony for Bangladesh. Our policymakers do not need to rediscover industrial policy simply because the World Bank or richer countries have returned to it. After the initial dose of trade reform in the early 1990s, Bangladesh continued with heavy protection for its industries through customs duties, para-tariffs, and other measures. By many comparisons, it remains one of the world's most protected economies. High tariffs and other import-restricting measures are often justified as support for domestic industries. By raising the cost of imported goods, they give local producers space to grow, invest, and supply the domestic market. In principle, such support can help firms learn and build capacity.

The problem arises when protection becomes a comfortable shelter rather than a temporary route to competitiveness. The real question, then, is whether such support has helped build firms that can compete beyond the protected domestic market.

For Bangladesh, garments are often cited as proof that export success is possible even in a protected economy. But the export-oriented apparel industry grew almost entirely on foreign orders. The domestic market for many exported garments was largely absent, and producers using bonded warehouses for importing inputs duty-free for export production were not allowed to serve the protected domestic market. This removed a key source of anti-export bias: garment exporters did not have an easy alternative of selling the same products at higher protected prices at home.

The Multi-Fibre Arrangement governing the global market at that time was also a critical determinant of export success, as quota restrictions on established exporting countries encouraged foreign buyers and investors to look for new sourcing locations like Bangladesh. LDC trade preferences reinforced the sourcing advantage from Bangladesh.



VISUAL: ALIZA RAHMAN

Other sectors did not benefit from this same combination of conditions. They had sizeable domestic demand shielded by tariff protection and less pressure to meet foreign buyers' requirements on price, quality, compliance and reliable delivery. Many firms could thus grow by serving the local market, but that should not be mistaken for export competitiveness.

Protection can create production capacity. But without competition, standards, and compliance, it rarely creates the efficiency and innovation needed for sustained export diversification. When the protected domestic market offers higher returns with fewer demands, investment naturally tilts towards serving local consumers rather than building the capabilities needed for export markets.

A heavily guarded trade regime did help domestic manufacturing expand, with manufacturing's share of GDP rising from about 13 percent in 1990 to 23 percent in 2024, although the sector has come under pressure in recent years. While this growth has been celebrated and made policymakers reluctant to undertake difficult reforms, the costs were often left outside the policy conversation. Economist Zaidi Sattar estimated that consumers in Bangladesh in 2017 alone paid an additional $14.2 billion, equivalent to 5.7 per cent of GDP and 31 percent of manufacturing value added, because protection pushed domestic prices above international prices.

This also affects market size. Bangladesh has a large population, but not yet a large high-income consumer market. If protection keeps domestic prices excessively high, it does not help create a genuinely large market. Export markets are larger, but cannot be accessed through protection alone. Price competitiveness, quality, standards, reliable supply and product upgrading determine export success. This is where Bangladesh's old industrial support system has fallen short: many goods are produced for local consumers, but few are export-ready.

It is against this backdrop that the trade reform dilemma deepens for Bangladesh. Our own experience points towards reform, while the global policy mood can now be read in the opposite direction. The argument—that if rich countries are supporting their industries, Bangladesh should not move away from protection—can easily be used to justify the current policy stance. Yet the decades-long protectionist regime has failed to make industries globally competitive or diversify exports. The impending LDC graduation makes the challenge more urgent, as future market access through free trade agreements (FTAs) and other arrangements will increasingly depend on reforms in tariffs, customs procedures, standards, compliance and domestic regulation.

In this changed global context, proactive policy support to build competitiveness cannot be overlooked. We must, however, be careful about drawing the wrong lesson from the return of industrial policy elsewhere. Many countries are moving from relatively open regimes towards more selective industrial support. Bangladesh starts from a very different position: high protection, weak standards enforcement, limited compliance capacity, and a long record of domestic-market-oriented support. Old protectionism will not expand exports, improve efficiency, or raise consumer welfare. The challenge now is to support differently: with stronger standards, lower anti-export bias, better export discipline, and a clearer route from domestic production to international competitiveness.

INTERNATIONAL DAY OF RURAL WOMEN

Recognition of women's role as the engine of rural life is long overdue



Pavel Partha, an ecology and biodiversity conservation researcher, is director at Bangladesh Resource Centre for Indigenous Knowledge (BARCIK). He can be reached at animistbangla@gmail.com.

■ PAVEL PARTHA

If a village is a living body made up of natural elements and human society, rural women are its mitochondria. As mitochondria act as the powerhouses within the cells, so are rural women the powerhouses of village life. Through farming, food processing and preparation, traditional medicine, seed preservation, fishing, collecting wild food, livestock rearing, sewing, cooking, cottage industries, folk culture, disaster management and natural resource management, rural women keep more than 87,000 villages in Bangladesh alive.

Yet, their contribution, the work, knowledge and management skills remain largely unrecognised in the dominant knowledge and decision-making systems in the country. Rural women pass on generations of traditional knowledge within their communities. Their expertise in selecting crop varieties and seeds, predicting weather patterns, midwifery, weaving, cooking and traditional medicine involves complex knowledge and scientific understanding. But these practices are still dismissed as inferior knowledge in the mainstream discourse.

Much like how a body cannot function at the optimum level with damaged mitochondria, a village cannot develop safely and sustainably if its women are subjected to deprivation, discrimination, oppression, marginalisation, insecurity and exploitation. We must recognise rural women's contributions and listen to their voices to understand society and its progress.

This year's theme for the International Day of Rural Women, observed globally on October 15, is "Rural Women Farmers Caring for Mother Nature." The United Nations has declared 2026 as the International Year of the Woman Farmer. The year is also being observed as the International Year of Rangelands and Pastoralists. The International Day of Rural Women is not formally observed in Bangladesh's villages. This is ironic, since the largest village in Asia, Baniachang, is located in this country.

Meanwhile, facing shrinking livelihood opportunities, wage discrimination, debt and climate-related crisis, rural women are leaving their villages and moving to the cities, often losing their sense of identity in the process. Development policies that neglect rural realities, combined with patriarchal power structures, view the nation's overall development through binary, colonial, racist and discriminatory lenses. These perspectives must be challenged across society, the state and the corporate sector. Rural women must receive justice and recognition in every sphere of life.

Access to and ownership of assets

Globally, around 36 percent of employed women work in agrifood systems, according to a 2023 report by the Food and Agriculture Organization (FAO). The proportion is much higher in South Asia, at around 71 percent. According to the UN, women account for around 40 percent of the global agricultural labour force but own only 15 percent of agricultural land. Rural women's rights remain restricted in decisions about ownership and control across the food system, from production to distribution.



Women account for around 58 percent of the agricultural labour force in Bangladesh, according to UN. The photo was taken in Rajshahi on October 14, 2026. PHOTO: AZAHAR UDDIN

Growing pressures

According to the 2022 census, around 5.79 crore women live in rural Bangladesh, accounting for more than half of the rural population. UN data says women account for around 58 percent of the country's agricultural labour force. Despite their historic presence and contribution to agriculture and rural food systems, the state does not adequately recognise rural women as farmers. The enormous economic contribution rural women make to the country's agricultural economy is not fully reflected in the national accounts either. A 2021 estimate valued women's economic contribution through household work in Bangladesh at around Tk 6.7 lakh crore.

Research has shown that rural women are paid less than men. This wage gap can also affect productivity on farms managed by women, even when their farms are comparable in size to those managed by men.

FAO further found that the productivity gap between male-managed and female-managed farms is around 24 percent. If women had equal access to resources, agricultural productivity could increase by 20 to 30 percent. Equal pay, participation and ownership rights for women and men in agriculture and food systems could increase global GDP by around $1 trillion and improve food security for approximately 4.5 crore people.

Women also have less access than men to agricultural land, loans, farming equipment, irrigation, technology, markets, agricultural services and digital tools. At the same time, structural inequalities mean that women carry a heavier burden of household and care work than men. Social, class-based, professional and geographical discrimination creates additional barriers to agricultural productivity and other forms of rural work.

When rural women lack formal recognition as farmers, they face difficulties accessing agricultural services, farmer cards, subsidies, training, and opportunities to establish businesses.

Their multiple responsibilities and workloads continue to grow. Because of climate change, women in coastal areas, hilly regions, Barind areas and urban settlements may spend hours queuing for a single container of water, sometimes walking miles to collect it. During disasters, women may be unable to reach shelters because they must first protect their livestock, poultry and household belongings and ensure their families' safety.

Rural women's knowledge of agriculture, cottage industries, healthcare, recipes and creative practices is also frequently commercialised without their consent. This amounts to a violation of their rights over the knowledge and intellectual resources they have developed and preserved.

A call to action on rural women's day

For a rural woman struggling to cope with the constant loss of agricultural land and other pressures in an agrarian country like Bangladesh, the message of International Day of Rural Women may seem distant from her everyday reality. Nevertheless, the demand to place rural women at the centre of agriculture and food systems can become a meaningful commitment.

Rural women must no longer be treated as "invisible workers". They must be recognised as farmers who lead and make decisions within agricultural and food systems. The state must also strengthen support for rural women's agricultural knowledge, seed preservation, and climate adaptation practices.

The UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) recognises rural women's rights in agriculture, land, credit, water, sanitation, technology, social protection and decision-making. The Sustainable Development Goals also explicitly recognise women's agricultural land ownership and secure land rights as important development priorities. Bangladesh's National Women Development Policy 2011 acknowledges women's labour and contributions to agriculture and calls for equal wages and equal access to agricultural equipment and credit. The National Agriculture Policy 2018 also includes a dedicated section on women in agriculture. Despite these national and international commitments, the reality remains different.

Rural women must not be viewed merely as beneficiaries of development, but as its architects. They do more than provide food; they protect seed and livestock diversity, preserve traditional knowledge, and safeguard local environments. Despite structural discrimination and the climate crisis, rural women continue to sustain their communities. Like the mitochondria that power our cells, they help keep the world alive.