



Thesis for the Degree of Master of Philosophy on
Impact of Globalization in the Developing Countries:
The Case of Bangladesh

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MPhil Registration: 285

Session: 2011-2012

Supervisor: Dr. Md. Abdul Wadud Bhuiyan

Professor

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A thesis submitted to the
University of Dhaka
in conformity with the requirements
for the Degree of
Master of Philosophy

by

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Dhaka, Bangladesh
2015

Declaration

This study is based on my own research work and to the best of my knowledge; it has not previously been submitted for a degree or diploma in any university of the world. I confirm that this thesis contains no material previously published or written by another person except by way of quotation and duly acknowledged.

K. M. Atikur Rahman

Certificate of Supervisor

With regard to the thesis entitled “Impact of Globalization in the Developing Countries: The Case of Bangladesh” submitted by K. M. Atikur Rahman for the Degree of Master of Philosophy in Political Science at the University of Dhaka, Dhaka, Bangladesh.

I certify that

(i) He has carried out the research work under my direct supervision and guidance and that the manuscript of the thesis has been scrutinized by me.

(ii) The entire thesis comprises the candidate’s own work and it is his own personal achievement. It has not previously formed the basis for the award of any degree, diploma, associate ship, fellowship or other similar title of recognition.

(iii) The thesis is not a joint research work with me or with anyone else.

(iv) He has completed his research work to my satisfaction.

(v) The final type copy of the thesis which is being submitted to the University Office has been carefully read by me for its material and language and is to my entire satisfaction.

(vi) The thesis is worthy of consideration for the award of M.Phil Degree and

(vii) I hope that this thesis will make a valuable contribution to the existing knowledge on the ‘Impact of Globalization in the Developing Countries’ focusing Bangladesh.

Dated, Dhaka
The 2015

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Abstract

This is an age of globalization-everything is encircled with this process. It has been turned into a power having largely engagement with world's conventional, influential and leading matters. It has many more good sides; on the other hand, huge dark phenomenon exists within this process. It has been turned into a determining factor or conflict matter between the South and the North. Blame game or psychological dialects are ongoing issues on the negotiating table. In the last three decades, the western countries are almost on leading and winning position in the globalization process; but developing nations cannot adapt fully with this tidal and complex system due to their internal weakness along with the external factors. Globalization is a big polishing brush – a good pair of leather shoe is needed to adapt with this -if shoe is not available, brush is not only an ineffective thing but also a burden for maintenance. Developed nations are running themselves with their established basement; so global opportunities are being poured in favor of them naturally. It is hard true that obviously the poor nations have to be seated on the running train; otherwise all sorts of sufferings grasp them – as globalization is a global reality to be unavoidable. Bangladesh is getting a little share of globalization though garment, pharmaceuticals, leather and ship building industries get a momentum in the economy – though it could have been many more contributive. But on the other hand, Bangladesh faces a lot of challenges created by the globalization process. Some developing nations (India, China, Brazil, Turkey, South Korea, Malaysia, and Singapore) make a shining development through globalism. It is noted that globalization is a little bit responsible for bad governance of Bangladesh causing the economic setbacks. Socio-economic growth and living standard might be doubled through globalization, if Bangladesh like nations of the world could ensure good governance, human capital and technological advancement.

The research work is conducted for reality based some objectives - those are basically applicable for Bangladesh and other poor countries. Several important questions are objectified in the work. Broadly, the thesis aims to investigate on how globalization impacts on the socio-economic and political arenas. Specifically this research attempts to identify the global factors and consequences that influence on development discourse and social change (Introduction section). As foreign aided nation, Bangladesh and same others can formulate hardly the public policy independently. Such types of aided policy make a development illusion that functions with less important sectors bypassing the core agendas - bureaucratic setbacks make these projects important to all for their narrow interests. Historically, it is proven that the delegated development approach cannot adapt or function accordingly for a distinct societal well being. Dominant western media makes cultural imperialism (chapter 4) causing broken down the oriental social structure, conventions and cultural hybridization getting eroded its heritage. Social values are not functioning favored humanism. Such these questions are tried to open up and be obvious before the victim states in the work.

The research has been carried out by following explanatory method. It is applied to explain the existing works from contemporary and future-oriented views focusing the impact factors of globalization on how and where policy matters in the poor nations are tracked out. Qualitative approach is mostly used here as social behaviors are influential factors to be found out the roots of the problems. Content analysis (introductory section) is conducted on the secondary sources (book, journal, articles, media and office records).

Globalization refers to a world in which societies, cultures, politics and economics have come closer together (chapter 1). It can be defined as the intensification of worldwide social relations which link distant localities. Globalization means the free movement of information, labor, capital, goods, culture and entertainment crossing the boundaries. English language and the communication technologies play a vital role in these free movement processes across the world when the term globalization is used in the second sense – to refer to time-space compression – there is a close link with the development of new communication technologies and the post modernity.

Mainly three types of globalization exist in the world – each society is being touched or impacted by them at any stage or any means. There are: communication, market and direct globalization (chapter 1). Due to the advancement of digital technology, communication globalization influences deeply human lives. Its effect includes economic activity and cultural aspects of people. When culture and economy are transformed by western model, ideology and values, hybridization trends grab the societal norms and shape. Trade and capital mobility are the progressive issues – are derived from the market globalization of which main feature is based on economic liberalization. Human rights are frequently violated in the developing countries but global judicial authority or global human rights organizations can play a little positive role in this connection.

Actually globalization started actively its journey after World War II. In 1947, the GATT was set up to oversee the removal of international trade barriers and supervise the expansion of international trade. It was based on the premise that ‘free trade’ stimulates the expansion of international trade and economic growth faster than can even the most internationalists of national trade policies. In 1989 there is set up ‘Washington Consensus’, which fixes some 10 number of rules and terms on trade and economy, influenced by the GATT. Both these international accords are finally converted into a unique organization WTO, established in 1995, which is the controlling authority for international trade relations.

In this thesis two numbers of theories which greatly comply with the topic. One is ‘libertarianism’ and another is ‘Anarcho-Capitalism’ that has been followed thoroughly in the research work. Economic liberalism makes a flexibility of trade, tariff, monetary policy and investment management worldwide following the international rules. These cause trade syndicate, oligopolism, corruption and economic criminality and these are the bad outcomes of the theories. On the other hand anarcho – capitalism refers to free market, privatization – state cannot interfere the market at a minimum level which is directly followed by globalization process. In these two theories, the thinkers who contribute mostly are: William Belsham, Roderick Long, Joseph Dejacque, H. L. Mencken and Albert Jay Nock, Murry Rothbard, Lysander Spooner and Benjamin Tucker.

The chapter two has explained the globalization of economic and trade policy and activities – how state authority deals with. The economic and trade functions are getting integrated followed by cross-border activities. No individual state can take any policy-decision hereby on macro-economic management and international trade for survivalist or prosperity. International laws, rules and regulations control the world trade – formulated by International Governmental Organizations (IGOs) so that economic and trade growth increase at a standard level. International trade in fact increases 30-60 percent in last two decades, it is absolutely true and that has been possible through international trade regime; but poverty, inequality, unemployment and human rights violations are on negative or questionable stands. Actually, globalization may be

continued to be in question, if along with economic and trade growth, poverty, inequality, security matters are not included. Individualism, liberalism, deregulation and privatization are undoubtedly the smart agendas of global agencies – these are putting a strong impact on human lives worldwide hitting each door (chapter 2). The western world itself is victimized also by such the economic policies in the world introduced by its own in their socio-cultural and humanistic phenomenon. It is evident that they are gaining economic and trade returns more than that of their aspiration. But it is keenly observable that whether the third world can achieve their trade share from the global market or not. If investment, assistances and trade share would become within an equitable and legal framework; hunger, poverty, bad governance, poor human capital would be reduced at a significant level. Bangladesh gains six percent growth, sixteen billion dollar reserve, twenty percent export growth at continuous trends; but good governance, security matters, social justice have been addressed hardly. Bangladesh has already deregulated and liberated all the public policy matters towards the market line. It is thought that the elite classes of business, media, NGOs, intellectuals have not only been autonomous but also syndicated gainers backed by political power to meet their vested interests. But the stands of mass people are being substantially marginalized as they cannot be within the syndicalism or oligopolism – policy supports do not work in favor of them.

Development issue and social dimension in the developing countries are widely discussed in chapter three. In post second World War period, development aspect got prioritized mainly to USA in the purpose of reconstruction in war-ravaged developing countries. Following the Bretton Woods Agreement two financial and trade bodies were set up (WB and IMF). They made some development plans based on economic growth – loans, technical assistance and some conditionality are imposed upon the developing nations under Structural Adjustment Programs (SAP).

East Europe, Latin America, Africa and Asian some countries were then their targets – these are newly decolonialized nations received their development agendas. In 80s it is reviewed that the loan recipient countries of Asia and Africa could increase growth at a desirable rate; but poverty alleviation and unemployment status were in previous conditions as only elite classes could access to the aided resources. In late 80s World Bank and IMF started to provide loans along with the agenda of balance distribution. But outcome got improvement too little (chapter three), Mexico, Brazil, Malaysia denied to receive the assistance – therefore liberalism and deregulation approaches were adopted then and these programs are existing still in the developing countries like Bangladesh.

Social change is a matter in the world that is as worried as positive through globalization multilateral agencies make rules, regulations for economic and trade prosperity – they are also including the social issues (health care, education, population, labor rights, human rights) with their global agendas (chapter three). All the global social agendas are being formulated in the view of economy – so social change of economic-orientation is meant as consumerism. Liberal globalism makes a capitalist social class and on the other hand, an ultra poor class is of its logical sequence. Capitalist class in the developing nations enjoys all social and political advantage and authority – the reverse class gets marginalized more and more. Globalization is herein failed to instruct any real solution. Individualism is going to so higher point that social behavior is continued to self-interests and that is why, social conventional institutions (family, kinship, marriage) are fragmented. Social stratification gets too momentum that makes the society unstable.

Consumer and aesthetic culture grab the human lives where moral values turn into a silly matter. So crimes, clash are undoubtedly an alarming issues in the world. Digital media (smart phone, TV, internet) is playing a striking role in reshaping the social behavior. Worthless love, sexism, emotional pleasures hurt the social norms and the young generations are fallen into the complex and deflative web causing a great social unrest.

Globalization keeps impacts on all sorts of nations more or less – but it is noted that Bangladesh like Third World countries (Africa, South Asia) are entirely influenced in policy matters (chapter four). From 80s Bangladesh formulates its macro-economic policy following the global rules and regulations massively – thus horizon of economy is increased arithmetically. But its living standard and sustainable development are seriously in question – human rights, social values and environmental governance are going to ruining hole as well. Global authority advocates the socio-economic and political liberalism and deregulation more than that of justice, industrialization, health care, education, unemployment, state violence and human basic needs. As a result, the resources of foreign aids generate corruption, mismanagement, misappropriation, business killings and social injustice – however donor agencies are not agreed to withdraw their development partnership in this regard – that raise a million dollar question today in Bangladesh.

Foreign agencies do not show eagerness in the political criminalization, democratic deficit of the Third World countries – they are busy with their favored issues that make fragile conditions in policy process and governance. Environmental issues in Bangladesh are a burning question – global partners are only in document service herewith. Communication and digital technology push the world cultural hybridization dominated by Westerns – thus the Western world is in favored conditions with cultural and digital business. Oriental society gets the erosion of cultural heritage – religious own beliefs and moral values are on alarmingly threats though ICT based activities, individualism and cultural pluralism increase in positive trends. Moreover, Bangladesh like countries has to go ahead in socio-economic and political sectors coping with the global challenges and minimizing the internal core national problems.

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Abbreviations

BBS:	Bangladesh Bureau of Statistics
EU:	European Union
GATT:	General Agreement on Tariffs and Trade
HRB:	Human Rights Body
CFC:	Chlorofluorocarbon
WTO:	World Trade Organization
GEO:	Global Environmental Organization
NAFTA:	North American Free Trade Agreement
IGO:	International Governmental Organization
ILO:	International Labor Organization
UNICEF:	United Nations Children's Fund
UNHCR:	United Nations High Commission for Refugees
FAO:	Food and Agriculture Organization
WHO:	World Health Organization
UNESCO:	United nations Educational, Scientific and Cultural Organization
UNDP:	United Nations Development program
UNCTAD:	United Nations Conference on Trade and Development
IFC:	International Finance Organization
OECD:	Organization for Economic Cooperation and Development
IMF:	International Monetary Fund
WB:	World Bank

GATS:	General Agreement on Trade in Services
TRIPS:	Agreement on Trade Related Aspects of Intellectual Property Rights
TRIMS:	Agreement on Trade Related Investment Measures
GPA:	Agreement on Government Procurement
UNRISD:	United Nations Research Institute of Social Sciences
IFI:	International Financial Institutions
PRSP:	Poverty Reduction Strategy Paper
OHCHR:	Office of the High Commissioner of Human Rights
USAID:	US-Agency for International Development
NGO:	Non-Governmental Organization
SAP:	Structural Adjustment Program
CSO:	Civil Society Organization
BIS:	Bank for International Settlements
IOSCO:	International Organization of Securities Commission
VAT:	Value Added Tax
ODA:	Official Development assistance
GNP:	Gross National Product
ISI:	Import-Substitution Industrialization
EFF:	Extended Financing Facility
SAF:	Structural Adjustment Facility
ESAF:	Extended Structural Adjustment Facility
SAL:	Structural Adjustment Loan

SECAL:	Sect oral Adjustment Loan
IDA:	International Development Agency
ETP:	Effluent Treatment Plant
APEC:	Asia-Pacific Economic Cooperation
STF:	Systematic Transformation Facility
INGO:	International Non-Governmental Organization
IDE:	Inter-American Development Bank
TNC:	Transnational Corporation
NRI:	Non-Resident Indian
MNC:	Multi-National Company
UPA:	United Progressive Alliance
VRS:	Voluntary Retirement Scheme
LDC:	Least Development Country
NSSO:	National Sample Survey Organization
ICT:	Information and Communication Technology
FFYP:	Fifth Five Year Plan
L/C:	Letter of Credit
IIF:	Institute of International Finance
FDI:	Foreign Direct Investment
FSRP:	Financial Sector Reform Program
HYV:	High Yield Variety
RMG:	Ready Made Garment
BER:	Bangladesh Economic Review

ULFA:	United Liberation Front of Assam
AIDS:	Acquired Immune Deficiency Syndrome
LFS:	Labor force Survey
TCC:	Transnational Capitalist Class
NATO:	North American Treaty Organization
NAPA:	National Adaptation Program for Action
IPCC:	International Panel for Climate Change
CCCM:	Canadian Climate Change Model

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Introduction

Globalization touches every step of human lives as well as other creatures across the world. Either positive or negative in manner, all the nations of the world are run through the influences of it. It has been presently a matured and natural phenomena impacting over the aspects of socio-economic and political matters. Liberalism, deregulation and free market oriented tendency are the main theme and ideology of globalization. It has capability to increase the volume of trade and economic growth globally; but poverty, inequality, unemployment, injustice are yet to be unsettled issues. The developing countries are mostly in complicated conditions herewith.

The term globalization appeared as early as civilization, but in modern age it has gone from being a jargon to a cliché. In 1964, McLuhan talked about 'the global village' in his celebrated study of media. Over years the concept of globalization has been both discussed and denied differently by scholars and institutions. Steger (2004: 19) has noted the varied description of the term offered by different scholars as 'increasing global interconnectedness', 'the rapid intensification of worldwide social relations', 'the compression of time and space', 'a complex range of processes, driven by a mixture of political and economic influences, and 'the swift and relatively unimpeded flow of capital, people, and ideas across national borders. Walby (2003) defines globalization as 'a process of increased density and frequency of international or global social interactions relative to local or national ones'. She does accept the notion of 'supra-territoriality' but holds that 'global processes still have a territorial component.

Actually globalization process gets institutionalized in 1947, through establishing GATT which is the mother organization of WTO. Its main aim was to eradicate the discrimination of global trade and increase the business growth. In order to meet up this ideology it adopts some policies namely liberalism, privatization, deregulation and reduce the tariff or non-tariff barriers through holding the hands of 'Washington Consensus' occurred in 1989. Currently, globalization turned into a normal process. The borders are getting eroded leaving the world in a uniformed pattern resulting in hatching product and by-product.

Broadly, globalization can be said to refer to the current phase of growing complex linkages, interdependence and integration among countries and people in the world in the last two

decades. Parker (2005: 7) observes that the growing interconnections are rapid and discontinuous, following a jagged upward way. The process is disorganized and incoherent. Impact of globalization varies from country to country as well as time factor is different all over. In 2008, the western world was affected by the recession but Bangladesh garment industries were in rising trends and continued to same motion.

In fact, the meanings of globalization available in the vast literature on the subject can be broadly categorized as referring to: (a) a process of increasing interdependence and integration, (b) the contemporary global capitalism, including a normative or political prescription/ideology, (c) a myth, not a reality, and (d) an abstract concept.

The increasing inter-nationalization of the production, distribution and marketing of goods and services is expediting the globalism (Streeter 2001: 167). The two-dimensionality of the process covers economic integration facilitated by new technology. As an example, globalization is a process that strengthens free trade environment; the internet and financial integration are erasing boundaries and making the world unified. These seem to be lucrative but brutality in market competition. The nations like Bangladesh fall into the appalling conditions of industrialization and balance of trade. Taking it as a multi-dimensional process, Streeten (2001) states, 'globalization is transforming trade, finance, employment, migration, technology, communications, the environment, social systems, ways of living, cultures, and patterns of governance'.

Process of global production helps rich countries in terms of low-cost products. Poor countries also benefit with the creation of jobs, experience with advanced technologies and investment. There are only several winners in the developing world from globalization, but many other countries are little beneficial. In fact, economic crisis is rather intensifying in several poor and remote parts of the world. So, he suggests the need to adopt a serious approach to achieve a balanced globalization in which everyone participates and benefits as well. In this connection, the most urgent task is to meet the basic needs of the world's poorest people. Only in some cases people's suffering can be tackled through better internal governance. 'The truth is that economic performance is determined not only by governance standards, but by geopolitics, geography, and economic structure. Actually there is really needed to provide foreign assistance to reduce the poverty of the poor nations. But there is viewed that more and more lectures on poor governance and structural reforms complex the poverty conditions. Only good partnership between the poor and the rich countries is capable to decline the gap a bit.

Skeptics reject the talk of globalization as a noble phenomenon. They regard it is another wave of internationalization and tool to interact dominantly the national economies. They criticize the hyper globalist thesis of demise of the nation state for not distinguishing among states different power and influence. The third world countries go within the marginalization patterns continued to prevail the inequality and social stratification. The powerful Western states continue to play a key role in policy relations of macroeconomics. States and geopolitics continue to be the main forces shaping world order. Moreover, it is observed that transnational corporations are not truly global, because they have their own home state and regional base. Some skeptics interpret the current phase of internationalization as the byproduct of the US-initiated multilateral economic order after the Second World War (Gilpin 2000). It is a new phase of Western imperialism with governments operating as agents of monopoly capital. It is opined that the current process of globalization is 'incomplete and asymmetric'. In the sphere of Bangladesh corporate governance, revenue system, exchange rate is mostly formulated influenced by the West or MNCs. These influences put the economy in complications with a non-adjustment chaos. The poor gains a little advantage though the upper class is in favored environment.

There are some non- economic dimensions of globalization such as the social values. Shared ethical principles refer to the gradual spread incorporated in recognitions of human rights covering the socio-economic and political liberties. The right based values scatter all over speedily as per the aspirations and formations of global civil society through digitized technology.

To Giddens, globalization is not merely or even primarily, about economic interdependence. It is rather about the 'transformation of time and space' in our lives. Distant events, economic or non- economic affect us more directly and immediately than ever before decisions taken by individuals are often global in their implication. He states, 'Globalization, in sum, is a complex range of processes, driven by a mixture of political and economic influences. It is getting changed everyday life particularly in the developed countries at the same time as it is creating transnational systems and forces taken as globalization is transforming the institutions of the societies which we live' (1999: 33).

At the theoretic-ideological level, the current phase of globalization is labeled by neo-Marxists/Marxists as neo liberalism. Certain important features of neo liberalism, which include market fundamentalism, minimal government, welfare state as safety net, autonomous civil society, moral authoritarianism (including strong economic

individualism), acceptance of inequality, low ecological consciousness, etc. Neo-liberal doctrine imposed on the defenseless. It is called a really existing free market doctrine. Market discipline is imposed for the South not for the West and not something but temporary advantage. Good for you, but not for me, except for temporary advantage.

The above mentioned gruesome dimensions of globalization influence all the developing countries like Bangladesh and these are to be identified properly toward the solvable paths. In the context of Bangladesh, the adverse impacts of globalization have not been comprehensively researched prior. If the multi-dimensions of globalization are opened policy making process can get right track. This is why; the topic is selected to be researched.

Literature Review

Several numbers of books and journal articles related to the research work have been reviewed critically. This segment of the work has been carried out to identify the scope and gap of the study as well as for collection a large amount of data required. The remarkable books are:

1. Globalization and the Third World, by Ray Kiely and Phil Marrfleet (2000). In this book mainly uneven development and cultural imperialism are discussed; but socio-political and trade development matters in the third world have not been examined properly.
2. Globalization and Governance Reforms and Developments in India, by Kameswewar Chowdhury (2006). The subject-matters of the book are governance reform, role of multinational enterprises, Indian scenarios, and cultural change; but there are no analysis of politico-economic, trade, environment, and human rights related issues.
3. Globalization and Public Policy, by Philip Gummett (1996). Here economic, trade, security, military industry, and health care policy got priority. But socio-cultural and democratic discourse, human rights, and environmental issues got less priority.

Two articles have been reviewed critically. First ‘The Consequence of globalization on Socio-Economics and Developments in the Developing Countries, by Nancy Brune (2004).’ The article has two research questions such as:

- a) How has Globalization affected inequality among countries?
- b) How has globalization affected the ability of national governments to redistribute wealth and risk among countries?

In this article, social inequality and the ability of national governments have been analyzed. It is found that globalization causes social inequality and declines the ability of nation states.

Another article is ‘The Social Impact of Globalization in the Developing Countries, by Eddy Lee and Marco Vivarilli’. It has two other research questions. These are:

- a) What is likely to happen to local employment and income distribution when a developing country chooses to open to globalization?
- b) Which are the channels through which trade and FDI affect employment within country income distribution and poverty reduction?

In this article, the impact of globalization on employment, income distribution and poverty reduction has been examined mainly. In fact, in these two articles, the adverse impact of globalization on social life and economic aspects that are closely related to societal matters are examined. There are a good number of fields such as state authority in policy process, financial matters, social change, development discourse and environmental issues which are being impacted by globalization to be studied.

Objectives of the Research

The research work mainly aims to explain the wider impact of globalization in the developing countries focusing Bangladesh. Moreover, there have been set up several objectives in the research which are stated below:

- i) To analyze the influences of International Governmental Organizations on institutional politico-economic environments.
- ii) To examine financial globalization and its wider impact upon the policy capacity of the state.
- iii) To express the major advantages and disadvantages of globalization in social structures and values.
- iv) To examine the crises of development in the third world in the social, economic, and political spheres.

Methodology

This is an explanatory type of research which has been conducted in qualitative approach. As qualitative secondary data has been taken; so inductive method is properly used. Secondary sources have been used for data collection. In the

research, books, journal articles, seminar papers, organizational and media reports are the main data sources. Besides, empirical observation has been used as a primary source. General data (non-computerized) analysis is applied subsequently maintaining the order.

Limitations of the Research

The research work is based mainly on the context of the third world as well as Bangladesh; so it is required to be available data materials (book, articles) in the perspective of Bangladesh. But the literatures are not sufficient and some materials which are found in the libraries are not relevant to this topic. Moreover, web documents on the research area are available; but their downloading or reading subscription is too high to have. So the non-availability of materials was a limitation to this work.

Organization of the Research Report

The present research report attempts to explain deliberately the wider impacts of globalization on socio-economic and political dimensions of the developing countries focusing Bangladesh.

It has done in qualitative approach following the content analysis. This report has four chapters excluding **introduction and conclusion**. **Chapter 1** presents definitions, theoretical framework and brief history of globalization. **Chapter 2** describes the economic globalization and its impacts on public policy in the Third World countries. **Chapter 3** examines the appropriateness and natures of development issues and social changes. **Chapter 4** explains the comprehensive impacts of globalization on Bangladesh arena.

Chapter One

The Meaning of Globalization and Theoretical Framework

Globalization first became a buzzword. Davos and New York Times Columnist Thomas Friedman celebrated its virtues, its inevitability. But then it come the anti globalizes. Globalization then became a more conventional four-letter word. The RUCKUS society and the French sociologist Pierre Bourdieu proclaimed its vices, its vincibility. As this dialectic has unfolded, it is tempting to think that there is a primeval curse on the phenomenon. It has become by now a phenomenon that is doomed to unending controversy, the focal point of always hostile passions and sometimes violent protests (Bhagwati-2004)

Globalization refers to a world in which societies, cultures, politics and economics have, in some sense, come closer together. According to Giddens (1990: 64) the concept can be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles a ways and vice versa.

But the concept does not just refer to global interconnectedness. Globalization is best understood as expressing fundamental aspects of time- space distanciation.¹ Globalization makes an intersection between present and future and creates a tie of social events and relations.

When the term globalization is used in this second sense- to refer to time- space compression²- there is a close link with the development of new communications technologies and the post modern condition. The development of satellite television and information technology is two major factors in the development of a new information society. For some writers, however, this increase in images and representations does not lead to an informed society. On the contrary, information dissolves meaning and the social into a sort of nebulous state leading not at all to a surfeit of innovation but to the very contrary to total entropy (Baudrillard 1983: 100). Digital technology produced a

unified global culture eroding time and space distance. A new society is being formed- demiurgic society is a new version in the world presently.ⁱⁱ

While Baudrillard and other post modern writers point to important developments in the order, he has stretched his case too far. When he refers to the increased speed with which we are saturated with images, Baudrillard fails to state whom this we refers. State power changes being displaced, on the basis of symbolic concerns, which are followed on values and tastes.ⁱⁱⁱ

Globalization means free movement of information, labor, capital, goods, culture and entertainment crossing the boundaries. The communication technologies play a vital role in these free movements across the world. All the people of the world are being connected, but good relations exist a few spheres. Globalization makes a man smiling; whereas other people will be dropping tears. In the developing countries, it doesn't always create expected peace, prosperity and security because of lack of communication technologies, skillness, capital and exports. The researcher thinks globalization is a sort of opportunity when one can be able to achieve it by his own efforts; on the other hand, it may be the cause of difficulties (Sing 2004). It is true that the rich nations are fully capable to avail the opportunities of globalization.

It is mentionable that of the third world countries China, India, Brazil, Turkey etc are on advancing manner through the opportunity of globalization. Rich nations are not now the sole opportunists of globalized world. Bangladesh can not avail the desired benefits in other sectors except garments industry. But man power might be the best sector to boost the economy in the age of globalization.

Three Types of Globalization

Communication has become one of the words most frequently employed concepts to characterize the dynamics of the present era. The term must be considered carefully in light of the intent of those using it. There foci of attentions and associated literatures have been discerned.

The term market globalization is probably the dominant popular usage as well. There is much dispute about whether the volume of certain economic measures relative to national and international level (Kurdle -1999:3). The term direct

globalization can be used to describe what economists would call internationalities; non-marketed actions that palpably affect persons across borders. A third use of the term communication globalization is a phenomenon that provides a critical weft for the warp of market and direct globalization.

Communication Globalization

Communication Globalization poses challenges that differ sharply among the developed countries and also presents problems for the governance of poorer countries.

The Economic Effect

The technical essence of communication globalization lies in ongoing technological discoveries and commercial applications that may provide a more vivid example of what Joseph Schumpeter has called the "gale of creative destruction" (1943, 84) than anything the great economist saw in his lifetime. The price of both voice and data transfer have dropped geometrically in the last two decades that have changed virtually the human life.^{iv}

Characteristically, the first reaction of most developed states to the formidable combination of computers and telecommunications was to try to protect their own manufacturing and service industries. One interpretation of the speed with which rampant protectionism gave way to an evolving but fairly open regime stresses the danger of falling behind in the availability of the latest technologies. At a given exchange rate, all protectionism raises the domestic costs of commercial users and makes their international sales success less likely. Telecommunications simply presents the problem more vividly, because the product is such a universal input (Vayrynen 1997a). Every day that passes without accommodation to the advantages offered by the newest technologies, whatever their national provenance hurts domestic firms in myriad industries in terms of their ability to compete with foreign counterpart.

All sorts of telecommunication business in the world are almost controlled by richer nations. The poor countries get tele-services but they can't access to the operational business of the telecommunication sectors. From these sectors the companies are doing abundant profit investing abroad, whereas the host countries gain nominal revenues and a few numbers of employments. The

consumers face the excessive costs of communication services in the complexity of business policy. New technology and attracting advertisements hence play a vital role in extra costs of consumers. It is told that the developing countries including Bangladesh cannot compete in tele-business with foreign counter parts because of their low cost technology.

The Cultural Impact

The second major impact brought about by communication globalizations is the cultural effect. Whereas authoritarian states may want to control information for its own sake, many democratic governments aspire to protect national cultural integrity against the threats, posed by global commerce in entertainment and information. The consumption of these materials from foreign sources is believed to erode the collective sense of national uniqueness (Vayrynen 1997b). Communication globalization creates a cultural domination upon the third world. Especially the western culture hurts the national integrity of many democratic governments. Moral behaviors are on threats by cultural hegemony. Besides the business of the cultural products are already beyond the capability of Afro-Asian poor countries. Around the world, a cultural mixture is developed by dint of communication globalization.

The failure of the large European countries to import much “cultural production” from each other raises serious doubts about the potential of a genuinely European industry to compete globally with the Americans. Third, the large oriental cultural markets are not dominated from the West - Japan and India is self-reliant on their local cultural items.^v

Market Globalization

Market globalization encompasses the increase mobility of goods and services. Capital and labor. It has been powerfully buttressed by communication globalization. Each of these three major categories of mobility has created alarm and demands for tighter governments at both the national and international level.

Trade

Many regard the increase in international trade as responsible for both a decline in the standard of living in the industrial countries, and a deterioration of the distribution of income. There are important theoretical reasons for believing that

unskilled labor might be hurt by an expansion of manufactured exports from countries with lower per capita incomes, and recent research suggests that somewhere between a negligible amount and as much as 30 percent of the change in income distribution in industrial countries income distributions since the early 1970s may be attributable to increased trade (Rodrik 1997a).

Both in the richer and poorer countries, there have been created inflation, price hikes of essentials. That is why, the people face the reduced real income that decreases the standard of living. These hazards are not only in rich countries, but also in the poor. Industrialization creates income inequality among all nations. Because the income attained from industries are not distributed properly. For example, Bangladesh is a nation of small and medium scale industry. But income inequality already took place at a panic stage. The poor people are losing their standard of living because of reducing their real income. But the income of the owners of the industry is increasing geometrically. It is mentionable that the state power favors those industrialists and businessmen through policy.

Although enormous variations exist, what Anne Krueger (1997) has called “outer” policies now solidly prevail over “inner” policies in the developing world, producing astounding results? A clear majority of the population of the developing countries now lives in states in which the per capita income than in the developed countries. The bottom 20 percent much of it in Africa, has yet to see much progress.

The enormous increases in economic activity in the non industrial world do not come at the expense of the overall income of the richer countries. "The newcomers certainly hastened the decline of certain sectors in the industrial countries, but they have also provided important new sources of demand for developed country exports. Actually industrialization or enormous economic activity affected the social welfare and created many more challenges to global environment.

The deteriorating income distribution in the rich countries is paralleled by similar deterioration in at least some developing countries, and the chief culprit appears to be technology (Krugman 1995). Technical changes across a broad range of industries are increasing the value of skills relative to pure labor power. The major solution for the distributional problem also appears to be the most promising path of overall economic advance for each state taken alone: an increase in human capital

formation through more successful education and training', leading to an increase in labor productivity. As outer policies influence over inner policies, there have been creating policy disorders causing the dependency trends on the economic sectors especially in the developing nations. Although per capita income is growing faster, but such this opportunity doesn't go to the favor of commons. The great solution may be in formation of human capital through expansion of education and training.

Capital Mobility

Capital mobility has also been widely blamed for the increase in income inequality on grounds that capital cannot be successfully taxed when it can easily escape any national jurisdiction. This is an argument that simply does not stand up to the facts, however much cover it may give to some politicians. Most commentary fails to distinguish between gross capital flows based on speculation about exchange rates and sustained net capital flows based on real differences in private capital yield among countries.

Capital will try to abandon states temporarily when the future exchange rate is expected to be lower, but this is very different from the continuous capital mobility increases inequality everywhere because of not mobilization of sufficient volume of taxes that expand the income level of capitalists. Overall, the claim that the international mobility of capital is constraining the ability of states to maintain taxes should be viewed with great skepticism. Moreover, it should be remembered that the increasing inequality of income distribution is not between conventional capital and labor but between human capital and relatively unskilled labor, and most of that human capital has no practical jurisdictional recourse in the face of government taxation. This implies that earnings inequality can be combated not only by more effective education of the presently unskilled but also by-fiscal redistribution, if the polity chooses to implement it.

Despite the fact that capital mobility provides no excuse for growing income inequalities in the industrial countries, international tax matters do matter. In particular, the prior tax claim of host governments on the corporate income of multinational corporations disadvantaged the United States over most of the post-war period. A U.S. firm may be indifferent about whether it pays taxes to the Argentine government or the U.S. government, but the United States as a whole is not. This element of taxation now matters relatively little to the United States,

however, because there is as much direct investment in the United States as there is U.S. investment abroad.

Two other tax issues are now important with respect to capital. The failure of the United States and some other developed countries to tax the portfolio (no ownership) investments owned by rich residents of developing countries means that those earnings go entirely untaxed. Many experts think that a withholding tax should be introduced, to be forgiven only when the taxpayer proves that the tax was paid in the person's home country. Another big tax problem concerns so-called tax havens. These are countries that essentially serve as switching stations for international capital, offering little except secrecy and low tax rates. Nearly all developed and; countries alike would benefit from having such tax shelter arrangements eliminated. Policies to do so are available. Profits assigned could be subject to double taxation (Slemrod 1990), or the tax he could be attacked with revised "unfair trade" laws that are now used mainly to penalize legitimate foreign competition (Hufbauer - 1992, 155).

Capital mobility has also been widely blamed for unsuccessful taxation: besides, state policy may encourage double taxation. This is an unstable condition of a state which could be attached unfair trade. Bangladesh is a country of tax haven. Importing raw materials of garment as well as other export industries enjoy the opportunity of tax holiday. But the businessmen frequently commit the money laundering and many other unfair deeds by misusing the policy of tax holiday. Some 4.4 million of people are within the limit line of individual income tax; but the number of tax payers is only 9 lakh. About 30 percent of corporate tax and 35 percent of import customs are evaded in Bangladesh (Government of Bangladesh 2011). The other developing countries are also more or less same in this connection. As a result, the gap between the rich and poor is not being reduced but increase. All the subsidized sectors are also in irregularities by unfair activities that are patronized by political power. It is observed that market globalization traps the state bodies into corruption and unfair activities directly and indirectly. Energy sector of Bangladesh enjoy the subsidy and tax shelters but the allocated funds of subsidy are hardly effective. All the projects funded by donor agencies are breeding grounds of corruption throughout the developing countries. Many researches reveal that merely in Bangladesh about 45 percent of project funds are wasted or

misappropriated (Daily Star 2009). It is seen that capital mobility begets unfair networks across the North and South countries.

Labor Mobility

The final mobility about which one hears much these days, and which many U.S. commentators apparently regard as an intrinsic element of globalization, is labor mobility (Sassen 1996). Americans may not understand how unique their situation is, however. They find in an apparently uncontrollable international human mobility a parallel to the international mobility of goods, services, and capital. Most of the rest of the world sees the issue very differently. Japan's foreign population remains well under 1 percent of its total citizenry, and postwar immigration in the European Union countries stems almost entirely from two causes: an unsuccessful attempt to engage in labor service trade without permanent migration, in the 1960s, and various humanitarian crises. In general, immigration to Europe has not been regarded as a success, and European immigration policies in future years can be expected to refine restriction. Interestingly, stringent attitudes toward immigration are at their peak at just the time when the European Union makes possible free internal migration by celines of the cooperating states.

Human mobility meets up the gap of labor force in the industrial nations, in parallels; unskilled people reduce the productivity and standard productions. Besides, the illiterate labors that migrated from the developing countries are frequently causing the social troubles in the destined countries. It is told that labor mobility is a blessing to the poorer countries like Bangladesh; but it is true that the unskilled labors can hardly migrate in the future for tightening the migration laws. Several countries have already tightened their migration laws. At this condition, training and skill ness would be the key to migration. Bangladesh, India, Pakistan, Yemen, Philippines, Indonesia, Egypt and many other countries enjoy the opportunity mostly from market globalization only in the sector of man power export. As globalization demands skill ness, Bangladesh, with the other countries, should develop the skill ness of their labors. The issue of refugees and asylums—about 15 percent of U.S. legal immigration—is, of course, indissolubly bound to a respect for human rights. Nonetheless, there is increased pressure to develop options for refugees that would allow them to escape persecution without gaining admission to the richer countries (Weiner 1995, 214).

The future appears to hold little chance that unskilled migration from the poorer to the richer countries will be allowed to increase, and it will probably diminish. But the other end of the skill spectrum may become an increasingly important international issue. Because of a general resistance to immigration, even highly skilled foreigners are rejected by Japan and usually accepted by Europe only from within the EU. Nonetheless, two developments suggest a possible future need for coordination of personal tax rates: the increasing interstate competition for talent within Europe and, as U.S. immigration policy shifts to an emphasis on human capital, increased migration of the highly skilled from the rest of the world to America. The European Commission may need to consider both this issue and the coordination of corporate tax rates, and there could even be some pressure for the United States to increase its top personal tax rates to decrease its competitiveness with the rest of the industrial world (Vayrynen 1997c)

Direct Globalization

The previous sections imply that, however far-reaching the unknown implications of communication globalization may be, the challenges to domestic governance—except for the alteration of ownership and regulation necessary to accommodate the technological revolution itself—appear to be mainly indirect. Moreover, the international relations tensions resulting from the telecommunications revolution, including its implications for the control of information and entertainment, appear to have yielded to satisfactory accommodation, whatever their long-run implications.

Labor Rights

Although the term "psychological externality" appears often in the literature to refer to environmental concerns in which no measurable stake can be demonstrated by the evaluator, communication globalization appears to have greatly increased a parallel concern: the continuing interest of persons in one country for the welfare of those in one another (Vayrynen 1997e). Without maintaining the well-being of human kind global peace would not be established^{vi} -in international stage a strong awareness is to be built up through communication globalization.

Two major concerns have dominated recent discussions. Throughout the Uruguay Round of the GATT negotiations, many voices demanded a social clause" providing grounds for retaliation against states that trade goods produced by labor forces not enjoying certain minimal rights. One -frequently cited list included the right to

organize and bargain collectively; a minimum age for employment and other protections connected with forced labor; freedom from employment discrimination on the basis of race, sex, religion, and political opinion; and freedom from forced labor (Financial Daily 1995).

Labors are the important capital for quality products. Many clauses are included throughout the Uruguay Round and GATT negotiations, ILO Conventions; but most of the countries hardly obey the clauses. Bangladesh, like many others developing countries, provide little the labor rights. Especially in the garment industries of Bangladesh, labor rights have been drastically fallen. A garment worker is being paid only BDT 5,300 and this payment is also irregular and irritable.^{vii} Security issue of the factories is too much poor that is causing frequent accidents leaving much life tolls. For example, urgent exits are either locked up or blocked by cartons, wastages. Besides, there is a little number of fire extinguishers which are mostly inactive. Physical and mental torture is a daily phenomenon in all the garment industries. One month salary is cut at only five minutes late to attend in work station. All the garment workers are scolded due to a small fault. Most workers are suffering from malnutrition, low blood pressure and under weight. The other industrial sectors are almost similar to garment industries. It is reviewed that the profits of the owners of industries are increasing in geometric rate. Even the state power is in the favors of the industry owners instead of workers. All the state incentives are always going in favor of owners, not for the workers. Most of the countries of Southeast Asia and Africa provide the labor rights too little, breaching the international labor laws. In Africa, a worker's income is less than one dollar daily. It is thought that the capitalism itself creates such this injustice and it is also the natural outcome of globalization. When globalization process emphasizes the growth of economy and trade; human or labor rights get less importance.

About 2 million children labor are employed in various jobs and 30 percent of garment workers are under 18 in Bangladesh Besides, in the risky jobs like welding industry, tannery houses about 25 percent of child workers are engaged. All the children are forced to do such these jobs due to poverty. But the factory owners employ them at a nominal payment. Even the child labors sometimes do their jobs without any penny but some bread. Inside of all the mills and factories, there have no sufficient ventilation and toilet facilities (UNICEF 2013). Even the workers have to sleep on the floors of the unhygienic and congested workplaces. If the

owners arrange welfare works for the labor at a minimal level, profit will not be decreased. Rather, incentive may increase the productivity and profit. So, capitalism is an outcome of globalization and labor oppression is thus consequence. If global authority would have executed the international labor laws strictly, this situation could not be created. It wants to view the increase of trade volume and this is being implemented.

In general, developing countries have resisted the inclusion of such concerns in trade agreements, expressing their fear that protectionist forces in the richer countries will attempt to manipulate any agreed language to raise the production costs of poorer states. Their fears are given credence by the role of labor in rich countries in promoting such causes.

Human Rights

The broader area of human rights can also be constructed in terms of globalism-enhanced psychological externality. One need only think of the impact of television pictures of the massacre at Tahrir Square to conclude that communication globalization not only intensifies immediate world reaction but also encourages ongoing concern.

The postwar period is replete with declarations and other largely hortatory expressions of concern for fundamental human rights. Many critics, however, believe that such expressions involve claims that are too political for democratic government, for example—to gain the near universal acceptance necessary for success. A recent proposal by Patricia Starling (1996) takes a different track. She distinguishes "core human rights" (drawn from the Second Geneva Protocol and section 702 of the Restatement [third] of Foreign Relations): freedom from torture, collective punishments, prolonged arbitrary detention, genocide, slavery, and threats to commit them (1996, 39). She proposes to establish a Human Rights Body (HRB) as part of the World Trade Organization, which would administer a defined retaliatory mechanism against violators.

Human rights condition across the world is too much regrettable. According to Amnesty International, the number of refugees and asylams are being alarmingly increased due to ethno-political violence from state to state. It reported in 2013 that “Within the period of last one year about 26 people have been the victims of extra

judicial killing and 20 others have been disappeared in Bangladesh. Besides, oppression by the law enforcing agencies has been increased alarmingly and the minorities were not secured in those periods”. In India, about 35 percent foreign tourists are reduced in the last six months because of excessive rape cases. The Maoists killed some 27 leaders- activists of Congress here.^{viii} The military Juntas and Buddhist Monks are oppressing continuously the minor group Muslims. They are regarded as the foreigners instead of citizenship. These are the picture of Southeast Asia.

Enforcement

The enforcement of established standards presents a problem for all the globalism-enhanced externality problems. As Oran Young has argued; some environmental agreements provide examples of governance without government (1989; 1994); but examples of success illustrate the limiting conditions. The CFC (chlorofluorocarbon) problem, so quickly and effectively attacked by the Montreal Protocol, had many characteristics that contrast sharply with the issues surrounding global warming.

The three varieties of globalization differ sharply in terms of Robert Keohane's (1984, 51-55) trichotomous delineation of harmony, cooperation, and discord, and hence they suggest quite different implications for governance. The previous arguments are summarized in table 1.1, in which each of the three globalizations is tracked by source of change, effects, policy implications, and the necessary level of effective public action. (Only a few of the main considerations have been mapped)

Table 1.1 Key Elements of the three Globalizations

	Communication Globalization	Market Globalization	Direct Globalization	
			Palpable externality	Psychological externality
Driving forces	Communication technology	Communication and transportation technology	Physical production and improved communication	Improved communication
Principal effects	Prosperity enhancement; cultural interpretation; external comparison for domestic practices	Prosperity enhancement; reduced efficiency of some traditional policy instruments	Environmental deterioration	Cross border value disputes

Main policy challenges	Preserving national uniqueness	Assuring a fair share of global taxes and appropriate after-tax domestic income equality	Assigning international responsibilities and producing amelioration efficiency	Controlling international conflict
Central governance arena	National	National, with limited international, cooperation	International cooperation	International cooperation

History of Globalization

There are both distal and proximate causes which can be traced in the historical factors affecting globalization. Large-scale globalization began in the 19th century.

Archaic

Archaic globalization is seen as a phase in the history of globalization conventionally referring to globalizing events and developments from the time of the earliest civilizations until roughly the 1600s. This term is used to describe the relationships between communities and states and how they were created by the geographical spread of ideas and social norms at both local and regional levels.^{ix}

In this schema, three main prerequisites are posited for globalization to occur. The first is the idea of Eastern Origins, which shows how Western states have adapted and implemented learned principals from the East. Without the traditional ideas from the East, Western globalization would not have emerged the way it did. The second is distance. The interactions amongst states were not on a global scale and most often were confined to Asia, North Africa, the Middle East and certain parts of Europe. With early globalization it was difficult for states to interact with others that were not within close proximity. Eventually, technological advances allowed states to learn of others existence and another phase of globalization was able to occur. The third has to do with interdependency, stability and regularity. If a state is not depended on another then there is no way for them to be mutually affected by one another.

Early Modern

'Early modern-' or 'proto-globalization' covers a period of the history of globalization roughly spanning the years between 1600 and 1800. The concept of 'proto-globalization' was first introduced by historians A. G. Hopkins and Christopher Bayly. The term describes the phase of increasing trade links and cultural exchange that characterized the period immediately preceding the advent of high 'modern globalization' in the late 19th century.^x

This phase of globalization was characterized by the rise of maritime European empires, in the 16th and 17th centuries, first the Portuguese and Spanish Empires, and later the Dutch and British Empires. In the 17th century, world trade developed further when chartered companies like the British East India Company were established (Levinson 2013).

Modern

During the 19th century, globalization approached its modern form as a result of the industrial revolution. Industrialization allowed standardized production of household items using economies of scale while rapid population growth created sustained demand for commodities. Globalization in this period was decisively shaped by nineteenth-century imperialism. In the 19th century, steamships reduced the cost of international transport significantly and railroads made inland transport cheaper. The transport revolution occurred sometime between 1820 and 1850.^{xi} More nations embraced international trade. Globalization in this period was decisively shaped by nineteenth-century imperialism such as in Africa and Asia. The invention of shipping containers in 1956 helped advance the globalization of commerce (Gittins 2006).

After the Second World War, work by politicians led to the Bretton Woods conference, an agreement by major governments to lay down the framework for international monetary policy, commerce and finance, and the founding of several international institutions intended to facilitate economic growth multiple rounds of trade opening simplified and lowered trade barriers.

In 1947, the GATT was set up to oversee the removal of international trade barriers and supervise the expansion of international trade. It was based on the premise that 'free trade' stimulates the expansion of international trade and economic growth faster than can even the most internationalists of national trade policies (S. Amin, 1997). To the extent that 'free' trade would encourage greater international economic interdependence it was deemed one of the best guarantors of both political stability and economic growth. Similar motives and premises lay behind the creation of the Common Market, the precursor of the EU, in Western Europe during the same period. Actually the volume of world trade has been increased at a desired rate, it is undoubtedly true; but it is not probably balanced and justified. Because the trade gap between the North and South is yet multifold this is causing acute poverty globally.

The GATT is committed to market access, transparency, economic safeguards, progressive liberalization and the integration of developing countries. The central rules of the GATT are the Most Favored Nation principle (concessions within a trade agreement must be equally to all nations) and the National Treatment principle (states must treat domestic and foreign firms offering like services equally) (Dunkley 2000). The implementation of the principles has declined afterwards.^{xiii} Removing the tariff and non-tariff barriers is as favorable to countries of strong market as less favorable to the reverses. For instance, if this paradigm is applied between China and Bangladesh, Bangladesh hereby would be benefitted little due to the gap of market structure. In 1989 there is set up 'Washington Consensus', which fixe some 10 number of rules and terms on trade and economy, influenced by the GATT. Both these international accords are finally converted into a unique organization WTO, established in 1995, which is the controlling authority for international trade relations.

Theoretical Framework

There are a good number of theories in political science. A research work is progressed following a theoretical framework so that the nature of it can be easily realized.

Neo-liberalism

This is a thesis work of which main conducting area is based on globalization. Globalization means interconnectedness and interdependence among the states of the world. Moreover, it relies on the free flow of capital, products, labor, information and culture by crossing borders. It is clear that the basis of globalization is rooted into the free market economy and interconnectedness. So it is thought that the theory of neoliberalism is correctly applicable for incumbent research work.

Neo-liberalism is a form of economic liberalism advocating a high degree of economic liberalization, free trade, open markets, privatization, deregulation, and shrinking the size of the public sector to allow the private sector to take on a more active role in the economy. Neo-liberalism was an economic philosophy that emerged among European liberal scholars in the 1930s attempting to trace a so-called 'Third' or 'Middle Way' between the conflicting philosophies of classical liberalism and collectivist central planning. The impetus for this development arose from a desire to avoid repeating the economic failures of the early 1930s which conventional wisdom of the time tended to blame on unfettered capitalism. In the

decades that followed, neoliberal theory tended to be at variance with the more laissez-faire doctrine of classical liberalism and promoted instead a market economy under the guidance and rules of a strong state, a model which came to be known as the social market economy.

In the 1960s, usage of the term 'neoliberal' heavily declined. When the term was reintroduced in the 1980s in connection with Augusto Pinochet's economic reforms in Chile, the usage of the term had shifted. It had not only become a term with negative connotations employed principally by critics of market reform, but it also had shifted in meaning from a moderate form of liberalism to a more radical and laissez-faire capitalist set of ideas. Scholars now tended to associate it with the theories of economists Friedrich Hayek and Milton Friedman. Once the new meaning of neoliberalism was established as a common usage among Spanish-speaking scholars, it diffused directly into the English-language study of political economy. The term neoliberal is now used mainly by those who are critical of legislative initiatives that push for free trade, deregulation, enhanced privatization, and an overall reduction in government control of the economy.

American scholar Robert W. McChesney notes that the term neoliberalism, which he defines as 'capitalism with the gloves off,' is largely unknown by the general public, especially in the United States. Today the term is mostly used as a general condemnation of economic liberalization policies and their advocates.

In the research titled "Impact of Globalization in the Developing Countries: The Case of Bangladesh," it is viewed that all types of national apparatus are day by day being liberated and deregulated following the international trade rules. Economy, politics, society, culture and business are on the way to be autonomous or almost freed from the state intervention at any means. Personal life, institution, societal norms get liberated, deregulation at a regular manner influenced by globalized system. In the research work newer knowledge, ideas on the theory- especially its negative consequences have been tried to examine.

All kinds of human structures and institutional bodies are on liberalism which is absolutely true. But common people are going to be victimized by the bad syndicalism of the elite people (socio-political and economic syndicalism). These syndicates, mostly patronized by the external forces (MNCs, IGOs) and local state body gradually make the mass people marginalized which may be called the by-product of globalization. When trade, media, civil society, NGOs, political leaders are being freed from political controls; they are getting badly autonomous to their own interests avoiding the sakes of common people. This is the

dark side of the neo-liberalism theory. Excessive liberty means the anarcho-environment created by all walks of elites that are discussed in present research work.

Anarcho-Capitalism

Anarcho-capitalism is referred to free market anarchism, market anarchism and private-property anarchism. It is a political philosophy which advocates the elimination of the state in favor of individual sovereignty in a free market. In an anarcho-capitalist society, law enforcement, courts, and all other security services would be provided by privately funded competitors rather than through taxation and money would be privately and competitively provided in an open market.

Various theorists have differing, though similar, legal philosophies which have been considered to fall under anarcho-capitalism. However, the most well-known version, was formulated by Austrian School economist and libertarian Murray Rothbard, who coined the term and is widely regarded as its founder, in the mid-20th century, synthesizing elements from the Austrian school of economics, classical liberalism and 19th century American individualist anarchists Ly Sander Spooner and Benjamin Tucker (while rejecting their anti-capitalism, along with the labor theory of value and the normative implications they derived from it).

Therefore, personal and economic activities under anarcho-capitalism would be regulated by privately run law rather than through politics. The theory is perfectly usable for the research work. The main theme of globalization is the deregulation of socio-economic and public policies onto open market. State intervention would be minimal over all types of policies and market system. These aspects are absolutely favored by anarcho-capitalism theory. But some problems arise in this philosophy. Gradually socio-political and economic sectors are going to full control of market, NGOs, large scale companies and civil society. Really anarchism in every sector is spread alarmingly that make a deprivation for the common people. So, it is observed that bad impact of globalization is gone in favor of lower classes and the elite class actually gains the major advantages from it. Major portion of the thesis has been designed in the shadow of the anarcho-capitalism theory.

End Notes

ⁱ Giddens (1991),p.21)

ⁱⁱ See Bandrillard (1983) p. 100. For details- the new communications technologies have promoted a global culture of instant but meaningless communication, in which time and space horizons have collapsed. He argues that this new social order on based on the dominance of signs rather than material production- the metallurgic society has become a demiurgic society

ⁱⁱⁱ See e.g. Waters (1995) p.124. ‘Material and power exchanges in the economic and political arenas are progressively becoming displaced by symbolic ones

^{iv} See Petrazzini (1991), p. 2.

^v See Tunstall (1995), p.12-13. For detailed information, on- Western markets, particularly large ones are not easily dominated from outside the culture. Japan for example, consumes more than 95 percent of its electronic information and entertainment from domestic sources. The Middle East draws heavily on Cairo’s products, and South Asia on Bombay’s.

^{vi} Cf. Vayrynen (1997). For wider evidence, without putting the welfare of human beings in the same category as the well-being of dolphins, there are some similarities between the two sets of concerns in the way communication globalization has increased international awareness, in the kinds of political pressures that are visited upon national governments, and in the recommended policy remedies.

^{vii} See e.g. BGMEA (2013).

^{viii} See Human Rights Watch (2013).

^{ix} See Luke (2010). *The Sociology of Globalization*.

^x See Hopkins, ed., (2003). *Globalization in World History*.

^{xi} See e.g. O'Rourke, and Jeffrey (2000). "When Did Globalization Begin?"

^{xii} See for details, the application of these principles over successive Rounds since 1947 has removed or reduced a range of tariff and non-tariff barriers' to international trade. Such quotas and trading practices are favoring national producers that are obscured by health or administrative regulations (S. Amin, 1997; Dunkley, 2000; Hirst and Thompson, 1996; Hoekman and Kostecki, 1995).

Chapter Two

Economic Globalization and Public Policy

A major theme within political globalization is the intensification of transnational policy coordination and the regulation of global resource distribution by supra-national institutions. Like regional formations, international formations proliferated during the twentieth century. As Kaul et al. note, 'more treaties were signed during the four decades after the second world war than in the previous four centuries' (1999: 499), and the number of international organizations grew from around 70 in 1940 to over 1,000 by 1992. Global macroeconomics is run through the rules, agreements of IGOs. The rules include the co-operation in the areas of trade, investment, environment, migration and social security.

The intensification of transnational policy cooperation is said to have altered the way that territories and populations are governed, a tendency most clearly seen in regional formations (EU and NAFTA) and in relations between developed and developing countries (Baltodano 1999). However, while the influence of international institutions over national social development has been the honorable subject of extensive research in development studies, this cannot be said of academic state policy which has tended to confine IGOs to the background. The IGOs suggest guidance, conditions on the fields of political economy which go consistently towards the favor of North Block.¹ These function for the poor nations little because of their orientation and aims are basically based on the dominating countries interests.

It is clearly seen in their mantra of international competitiveness, 'free markets' and 'free trade' (the 'Washington Consensus'). This chapter examines on what impacts on policy-process are generated through economic globalization.

It explores the nature, scope and content of transnational policy coordination of capital (monetary policy, trade, and public and private investment) and labor and human rights by the GATT/WTO, IMF, World Bank and UN acting in conjunction with other public and private transnational and bilateral agencies. It

only invokes the one international institution that has been central to analyses of transnational social and public policy - the EU - as an illustration or point of comparison (Geyer 2000; Hantrais 1995; Leibfried and Pierson 1995; Majone, 1993; Rhodes 1991; Sykes and Alcock 1998). A central theme in the literature is how far IGOs are able to steer the course of economic and social development nationally, and the discussion accordingly focuses on the financial, legal and other instruments, such as technical assistance and political agreements which IGOs use to try to set the parameters for national social development and intervene in the domestic socio-political policy process. For instance, IGOs have already been central players in policy making process in Bangladesh as well as South Asia. Bangladesh adopted the liberalism policy in the sectors of trade and exchanges first in 1990s. Its outcome is inflation and income inequality resulting in poverty cycle. This one also tempers the picture of the state as helpless in the face of rampaging international forces and the victory of neo-liberal ideology: it argues that the state lies at the heart of global governance and invokes domestic politics to explain the content of national social, political and economic reforms.

Multilateral Trade

After establishing GATT (1947) international business activities come under moderately some rules and regulations and continue till setting up 'Washington Consensus'. The establishment of multilateral trade rules is associated with the growth of international trade during the post-war period. While trade regulated by the GATT covered just 7 per cent of world trade by the mid 1980s (Amin 1997), the GATT's coverage of trade sectors widened, as did membership of the institution - from 32 states in 1947 to 116 states by 1994, representing two-thirds of the countries of the world. Before World War II international trade was ruled through bilateral agreement. In 1947 GATT was set up and started to supervise the world trade to enhance economic growth under "free trade" policy across the world except China. It has already been successful to increase growth rate resulted in unethical business, income inequality, price hike of essentials in all nations.ⁱⁱ It is observed that Eastern Europe, China and India are on the way to capitalism; but a special type of protectionism exist in First and Second World-emerging Third World countries as a strong strategy for their trade promotion. Their non-tariff barriers play a vital role in favors of their trade.

The Uruguay Round deserves particular mention. It was the manifestation of what Dunkley (2000) calls the 'Geneva consensus' - the view that a renewed commitment to internationally-oriented economic development strategies, 'free' trade and deregulation was needed. The protracted negotiations, which spanned seven years (1986-1993), resulted in legal and institutional reforms to the international trade regime, which have profound implications for the workings of the economic and political structures of member states.ⁱⁱⁱ

First, existing GATT agreements, treaties, articles, codes, and clauses were brought together and bound into a single package under the control of a new institution, the WTO (1995), which was granted executive and legal powers recognized in international law. Dunkley (2000a) likens this new system to a 'three-legged stool', with the WTO as the seat and the GATT, GATS (see below) and TRIPs as legs. Under the dispute-settlement procedure, WTO can impose legal obligations if governments and corporations contravene the international trade law; though it can take legal measure hardly against the developed countries in the case of trade law violation. It is noted that poor nations lack negotiating affordability and poor representative in WTO forum.^{iv} In this respect, the establishment of the WTO and its constitutionally-enshrined commitment to deregulation has been described (from a position of opposition) as a 'landmark' in the 'formalization, strengthening and politicization' of the GATT's ad hoc system.

International trade law extended its coverage to almost the manufacturing and service sectors - even investment and public tendering processes are presently included herewith too. Sometimes, development process gets lingered and hampered when such international law is strictly maintained. Furthermore, national economic culture also cannot match the terms and conditions of WTO in many cases which cause discrimination in socio- economic process. The developing countries are under various pressures on subsidy, tax concession, incentive procedures both in industry and agriculture. TRIMs cover measures relating to corporate activity in general which restrict foreign investors (competition policy, pricing restrictions, collusive tendering), while TRIPs establish global rules protecting intellectual property (e.g. genetic engineering, patent protection, trademarks, copyright and industrial designs). Commercial services are regulated by the General Agreement on Trade in Services (GATS). This

mainly covers business services but also includes certain health and welfare services and professionals, and curtails governments' right to limit foreign investment. The Agreement on Government Procurement (GPA) enhances the rights of foreign bidders in government purchasing policies, including those relating to public services, and covers more sectors and public entities than before (Dunkley 2000b: 49-52). Through the GPA, foreign corporate agencies are gradually controlling the service sectors specially the energy entity and making huge profits. Bangladesh, Nigeria energy sectors already face this problem seriously.

One of the key anticipated effects of international trade law is the lowering of social, health and environmental standards and their arrested development more generally. These service sectors are going to be privatized gradually following international trade law. As a result, they have been turned into profitable businesses around the world. There have been hiked service charges frequently that make the services beyond of the capacity of the commons. Education, health is now sold at a high price to the riches ignoring the needs of the poor. Thus, national or other international social, health and environmental regulations which conflict with international trade and investment law are prohibited. This applies both to existing and future laws. A range of regulations in the scheduled areas are to be made less trade restrictive generally (Dunkley, 2000; Hirst and Thompson 1996; Nader and Wallach 1996). WTO is on a legal track to adjudicate the trade related environmental disputes, when discrimination originates in global exports. TREMs are judged acceptable if they are in least trade-restricting manner.^v In an analysis of the implications of the Uruguay Round for public health measures, Koivusalo argues that tobacco advertising bans (whether direct or indirect, such as the use of trademarks in other products) introduced on public health grounds may be deemed to violate tobacco corporations' commercial rights, and thus be subject to WTO disputes mechanisms (1999: 23). There have been emphasized more on commercial rights rather than the public health which creates the opportunity for the tobacco corporations to spread the tobacco business causing various threats to health. Similarly it is problematic if state authority imposes restriction on healthier items such as baby milk. She highlights a move to make greater use of voluntary initiatives, such as the labeling of products harmful to health, rather than fiscal instruments or other pricing mechanisms, or the regulation (or banning) of

advertising of certain products. These legal issues are of great political import, and international trade law will force governments to continue to make political choices rather than release them from having to do so. For example, the WTO's ruling that the US could not ban petrol imports from Brazil and Venezuela on the grounds that they did not meet US environmental (clean air) standards left the US government with the choice of amending its legislation to lower its standards or facing trade sanctions (Labonte 1998: 7). In this context, national politics matter, and will continue to matter, immensely. Actually, the national governments enjoy the political autonomy at a minimal condition in the developing countries. The socio-economic policies are formulated externally by which the people are benefited little. Only charismatic leaders can avoid the harmful external conditions. The rich nations mostly receive the advantages of WTO rules and terms.

Health and social services, including professional services, and state subsidies for profit and non-profit services are all potentially open to challenge under the GATS and GPA provisions. The developing countries like Bangladesh have already decreased the fund and subsidies for social services. Many developed nations have also withdrawn subsidies from a good number of social services. But it is observed that these policies were not perfect and were the reasons for public loss. So thoughts about the GATS and GPA provisions have been changed worldwide. The WTO notes that the provision of these services is influenced by 'non-trade' factors such as licensing and qualification requirements; restrictions on the range of goods and services that professionals and hospitals are allowed to provide; controls or incentives intended to ensure the adequate provision of services in all regions and for all population groups; and the direct provision of minimum services to economically disadvantaged groups (WTO 1998a: 18). According to follow the suggestion of WTO, if state leaves the health sectors completely into commercial consideration, equity concern may be disregarded. State has to arrange two types of services; one would be public service so that the poor can get health service at cheap rate and the private sector will be less profitable as well.^{vi} But it is observed that the poor can access rarely to private health care in Bangladesh. Though public sector is accessible, over pressure degrades the quality.

Fortunately in this case, it is governments, not the WTO, which decide how far they wish to see 'free' trade principles extended to public races. Here, the picture is somewhat encouraging as they have tended to balk at full liberalization. Moreover, the provisions of the GPA need to be set against the special agreements and substantial restrictions negotiated for finance, transport, agricultural services, health and social services, education and recreation to which GATS and GPA principles provisions either do not apply or only partially apply (Dunkley 2000c). States have to manage and maintain the basic services like health and education. Otherwise, these will go against the poor that is not concerned with the main features of welfare state. The GPA deals with the procurement of goods and services; but US do not follow it. It imposes some restrictions on health sector following the regional NAFA agreement. Thus, foreign investors can hardly access to this sectors.^{vii}

International trade law suggests all countries to open their markets for their service sectors. The Southern markets demand free access to the North duly and they have already opened up almost their service sectors. But the Northern states are too little liberal hereby. To the extent that trade agreements institutionalize the exclusion of the South from Northern markets they are directly implicated in sustaining geo-economic inequalities. As Milke Moore (Director-General of the WTO) recognized: 'the world was once polarized by a cold war; it is now becoming polarized between wealth and lack of opportunity' (The Guardian, 3/9/99:22).

The WTO's panacea to geo-economic inequalities is to extend free trade principles to a wider range of sectors and improve the South's access to Northern markets. The WTO has ambitiously pressed ahead with this agenda in the Millennium Round by placing agriculture and trade in services, including education and health and social services, on the negotiating agenda (WTO 1998b). Despite the collapse of these negotiations in Seattle in 1999 it seems that this trade in services issues 'will remain at the forefront of trade concerns'.^{viii} However, it is not certain that these ambitions to extend the scope of international trade law will be realized, given the mounting political opposition against it and the institutions that support.

Governance Reform

Sometimes the concept of 'good governance' is used by multilateral agencies in a limited sense, referring only to institutional reforms and an effective government. But overall, the concept has a very broad canvas in their agenda. The major multilateral and bilateral development financing agencies' view of good governance is an integral part of their globalization agenda as set largely by dominant capitalist countries in the world. Decision-making in these agencies is dictated by the rich Western countries, which have a pro-market and anti-state intervention focus (Dasgupta 2005:33). Neo-liberal ideologization of these agencies has been observed. These institutions are systematically pushing the 'good governance' agenda of reforms particularly in the third world countries. The World Bank and IMF, in particular, are working in tandem to affect institutional restructuring in the third world countries through their loan conditionality. Bangladesh is the best example hereby. Financial agencies give loans on various complex conditions which are observed as hindrance to actual democratic development also causing the imbalance and discrimination of economy. Besides, corruption, misuse of the loan funds is the common phenomenon in Bangladesh as well as other developing nations. What they follow is a 'you twist their right arm and we'll twist their left arm' kind of cooperative strategy.^{ix} With the onset of SAP in the 1980s, the Bank made a clear break with its past narrow project-based lending to influence overall policy direction in the country concerned. In certain cases, the Fund-Bank teams have been involved in the details of the country's budget-making and even in implementing cuts in government expenditures (Dasgupta 2005c: 37-39).

In 1989, the World Bank pointedly termed the development concern. It is viewed that due to the lack of good governance adjustment and investment programs were ineffective in sub-Saharan Africa. Then after, it was pushed for good governance as good development management.^x But later, the Bank elaborated its view on governance in terms of economic role for the state, a set of policy reforms and other non-economic aspects (Munshi 2004). In its 1992 report *Governance and Development*, the Bank states, Governance, in general, has three distinct aspects:

- (a) The form of a political regime (parliamentary or presidential, military or civilian, and authoritarian or democratic);
- (b) The processes by which authority is exercised in the management of a country's economic and social resources; and

- (c) The capacity of governments to design, formulate, and implement policies, and in general, to discharge governmental functions.

It can be noted here that the first aspect clearly falls outside the Bank's mandate. The Bank's focus is, therefore, supposed to be on the second and the third aspects. In the opinion of the Bank (1994 report), 'Good governance is epitomized by predictable, open and enlightened policy making (that is transparent process); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law (Mander and Asif 2004a:14).

In its 1994 report, the Bank clearly identified four major components of governance reforms. These cover:

- (i) **Public Sector Management:** This includes civil service reforms (e.g., downsizing, professionalization), prudent financial management and state enterprise sector (i.e., corporatization, disinvestments/privatization).
- (ii) **Accountability of Government:** This implies macro level accountability (political, administrative) and also its reinforcement by micro level accountability through decentralization, participation and competition; decentralization of government; financial accountability (e.g., improved budgeting, accounting and information systems); and anti-corruption measures.
- (iii) **Legal Framework for Development:** This includes formulation of clear laws and efficient legal institutions; a set of rules securing property rights, governing civil and commercial behavior and limiting the power of the state—all this clearly aimed at private sector development.
- (iv) **Transparency and Information:** This requires access to information essential for competitive market economy; the government to value transparency, I.e., to rely more on market mechanisms for economic management; transparency in privatization; beneficiary participation in program design and implementation; freedom of the media; and making public processes more open (e.g., public procurement tenders).

So, the Bank agenda of governance reforms covers economic, social, administrative/government and political domains. Its policy statement on governance argues that economic reforms involve a parallel effort at restructuring

governmental institutions (Jenkins 1999a: 52). The reform programs include macroeconomic management ensuring accountability, efficiency and transparency so that developing countries can tackle their fiscal crisis. Economic surveillance and technical assistance are required for stability and non-inflationary sustainable growth. There is another feature of reform to develop the private sector. Support is provided for economic policies and structural reforms with a view that there will be reduction in ad hoc decision-making, rent seeking and preferential treatment of individuals and organizations. Technical assistance is offered for strengthening public expenditure management, tax administration, banking systems, foreign exchange, etc. The fund emphasizes on deregulation, liberalization and privatization. Its technical assistance is aimed at strengthening the budgetary process and institution building, and improves economic governance. It has adopted a proactive role along with the bank, besides other international financial institutions (like the regional development banks), stressing for improving governance on the suggested lines. International Financial Institutions (IFIs) have shown increasing interest in the question of good governance which is evident also in several PRSPs (Poverty Reduction Strategy Papers). One such paper concerning Kenya, for instance, states, 'Good governance is fundamental building block of a just and economically prosperous society and therefore, is an essential component of action to reduce poverty' (Singh 2005a: 135). The agenda of good governance and structural conditionality has been an important concern also at the G-7 Summits; IFIs have been encouraged by G-7 leaders to play an active role in governance reform in the borrowing countries through lending investment and technical assistance activities.^{xi}

Further, it is found that the term 'good governance' was used at the Second United Nations Conference on Least-developed Countries held in 1990. It was concluded at the Conference that 'good governance' is basic to the economic and social progress of all countries'. The UN Secretary-General Kofi Annan opines that, 'Good governance is perhaps the single most important factor in eradicating poverty and promoting development' (UNDP 2002: 51). Good governance is debated on what makes institutions and rules more effective, including transparency, participation, responsiveness, accountability and the rule of law. Good governance is so which promotes human capital and democracy. It is more than effective institutions that is protecting human rights, equitable economic and social outcomes.^{xiii} It is also a strong instrument to achieve good outcomes through fair process and efficiency.

According to the Office of the High Commissioner of Human Rights (OHCHR), the real measure of 'good' governance lay in the degree to which it delivers the promise of human rights— civil, cultural, economic, political and social rights. It requires effective guarantee of the right to health, adequate housing, sufficient food, quality education, fair justice and personal security (Mander and Asif 2004b: 17). According to the European Union, good governance requires the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law. It defines good governance as 'the transparent and accountable management of human, natural, economic, and financial resources for equitable and sustainable development (Mander and Asif 2004c:15).

In the recent decade, bilateral development agencies also began to emphasize 'good governance' in their programs. For instance, the US Agency for International Development (USAID) focuses on the areas like civil service reform, local government decentralization and development, public auditing reform, government restructuring and reorganization, legislative development, legal reform, judicial system reform as well as traditional areas of government streamlining, efficiency and effectiveness. Civil society is regarded as a key player in promoting democratic development. It is affirmed that only a responsive government can deliver development. Accountability would depend upon the existence of 'autonomous centers of social and economic power' that can act as watchdogs over the activities of the state. Civil society comprises both the associations making these 'centers' and the 'enabling environment'.

The aims of fostering, supporting or nurturing civil society through aid are:

- (i) Transitions to competitive politics,
- (ii) The consolidation of fledgling democracies, and
- (iii) The establishment of market-oriented economic policies, and subsequently positive development performance (Jenkins 1999b: 212).

Moreover, there is observed that the international aid agencies emphasis on promoting the local- self government and NGOs in development projects. But unequal power structures and restricted participation trends at local bodies are the main problematic issues which hamper the development works. Further, the NGOs are actually answerable to their foreign aid agencies, not to the masses. So it would be erroneous to make functional too much in development projects.^{xiii} A survey of

participation in the PRSPs in many countries revealed very low level of participation in projects even by NGOs (what to talk of common people) who expressed disenchantment with the process.

It is no surprise that the governance agenda is rooted into the neo liberal principles. It is affirmed that 'good governance' agenda is deeply embedded in the Washington Consensus (Singh 2005b: 137). In recent decades, it is observed that multilateral institutions as well as several bilateral development agencies have come forward with the 'good governance' package and are forcing/helping introduce it in the third world countries. In case of India, Bangladesh, Nepal and other developing countries, increased directive/assistance is provided to the governments by these agencies to introduce the package of reforms through loan conditionality, policy advice, projects (also with NGOs in different areas in different parts of the country) and training of personnel.

The Governments of India, Bangladesh, Nepal have paid special attention to governance reforms. The reforms in economic governance started in the country under fiscal stabilization and SAP over a decade ago with the World Bank/IMF loan conditionality to improve the balance of payments and fiscal discipline, and the reorganization of economy, polity and society, as in several other third world countries. The measures for administrative reforms are also followed. The country could overcome the BOP problems, but has continued apace on its own with governance reforms in a comprehensive manner. The agenda of reforms has been clearly stated in the recent official documents and reports of the government.

The good governance issue is adopted in Bangladesh in the Fifth Five Year Plan which includes: people's participation, decentralization, right to information, civil society involvement, civil service reforms (rightsizing, transparency, accountability, and professionalism), procedural reforms (single window clearance, investor assistance cell), judicial reforms (speedy delivery of justice), using information technology, empowerment of the marginalized, etc. These issues largely relate to administrative reforms (including judicial) and partial political reforms (decentralization plus people's/civil society participation). But the core reform programs are seen in economic governance in terms of increasing privatization/disinvestments/ corporatization, liberalization/ deregulation, and social sector reforms (growing entry of private sector and NGOs) in recent years.

The good governance project according to Jayal (1997) emerges as 'a project for the elimination of politics, for its banishment from the nation state'. It negates the generation of a governance agenda as a product of democratic politics. This bears a serious question on the real nature of the concerns for audit/accountability in the agenda. Here, even the notion of participation is highly constricted. It is mainly a component of project design for proper project effectiveness. It does not create any provision for democratic negotiation on model and priorities of developments. In this sense, the agenda of good governance is concerned with marginalizing politics.^{xiv} In this agenda, people are being passive recipient of rights, enjoyer of governance and stakeholder of development-democracy and welfare are on declined motions.

Good governance package is advocated by donor agencies for promoting developments-but it is not happening so in third world. It is a very comprehensive agenda that covers the reforms of economic, social, political and administrative affairs. The agenda urges a model of development that promotes private sectors as a market basis.^{xv} It is basically a private sector/market-centered model of development, though it provides for partnership/collaboration between state, market and third sector/civil society/NGOs. In the sphere of economic governance, reforms involve pro-actively promoting private sector development, reorganization of public sector on market lines (through privatization, disinvestment) and reorienting social/welfare sector on market lines. In the domain of public administration, there is emphasis on civil service reform for enhancing efficiency, effectiveness, transparency and accountability of government, curtailing corruption and also maintenance of rule of law, including judicial reforms. In the political realm, the state is required to adopt a partnership approach (with private sector and NGOs/CSOs) through collaboration with plurality of actors/agencies, and promote decentralization and devolution of government and people's participation. This is supposed to provide stability to the government and ensure achievement of development goals in terms of human development, human rights, equity and empowerment of the marginalized and sustainable development. The crisis of governance thesis emerges as a rationalization of the prevailing system and has become the 'central call of the forces of liberalization and globalization in the era of reforms' (Mohanty 2004: 109).

International Finance

The economic power of the modern national state derives essentially from its character as a multi-purpose or, in contemporary computer jargon, 'multitasking' institutional structure. States integrate a range of distinct tasks, roles, and activities across different functional issue-areas under a single, territorially-based umbrella. In an ideal-type system of capitalist economic exchange, however, national states are by their very nature a distortion of the market mechanism. Furthermore, as markets expand, they subsume other kinds of social, political and economic relationships - what Marx called 'co modification' - in a single, global market system. Rather than having a whole range of different social, political and economic processes integrated in nationally unique ways, market processes would, in theory, find their own level. In an ideal free-market capitalist world,' therefore, international economy would not be divided vertically into separate national economies (Reich 1991, Chapter 1), but into different types or levels of market-based activities spread horizontally across different 'virtual spaces' - replacing the geography of physical maps with the quasi-geography of market structures, transaction flows and information cyberspace. Diversity would be rooted in distinct types of economic activity - finance, different kinds of manufacturing, services, agriculture, etc. rendering the territorial state less effective as a framework for regulating and stabilizing those activities.

Internationalization of Finance

In the 1980s, many states modified the system of regulating their financial markets, including both banks and security markets. At one level, this was part of an ideological backlash against government interventionism in general. There had already developed in the 1970s - on the Left as well as the Right - a widespread perception that the welfare state and Keynesian demand management had reached a plateau of effectiveness and were leading to a vicious circle of stagnation and inflation (called 'stagflation'). Bangladesh is badly victimized of this deregulation policy along with other developing nations. The prices of the essentials rise dramatically and the trends are still continued that causes the socio-political instability for decades from country to country. But at another level, pressures from more complex and volatile international capital flows - which were already growing in the late 1950s and 1960s but which mushroomed after 1971 - have made insulating national economies at both macroeconomic and microeconomic levels increasingly impossible. Within the financial arena, the most abstract financial markets - involving the pure trading of complex financial instruments such as derivatives - have increasingly taken the lead in forcing structural change. Tensions are also growing between financial globalization and the requirements of production and trade; the (international) financial bottom line dominates

decision-making in industrial, commercial and labor issue-areas. Bangladesh garment industries currently face the problems with the issues of labor union. The donor agencies pressurize the government to introduce labor organizations for collective bargaining. This unresolved issue is triggering the continuous violence in garment sectors. This trend reflects both the existence of multiple levels of interaction between finance and the state and the globalization of finance itself, as outlined in this section.

Globalization and Market Structure Change

Of course, although the major financial trends are towards overall global integration, this is a complex and uneven process. Some markets are highly globalized, some still mainly national despite some transnational inroads, and others a more complex mixture (Giry-Deloison and Masson 1988). National-based markets are becoming volatile mostly following the global integration process. The South Asian markets are on these complex routes as well. This policy helps the capitalists making profits immensely deceiving the commons. In currency and short-term capital markets, financial instruments are relatively simple, forward markets liquid, and information about the main price signal, interest rates, easy to obtain. New technological developments, especially computerization, make complex 'arbitrage' (shifting money from the market in one type of financial instrument to another in order to seek out the highest returns, especially in the short term) more and more profitable, with low transaction costs and minimal spreads; the resulting price changes have an impact across a range of these markets virtually instantaneously (Chorofas 1992). Risk assessments are far more complex in bond markets, especially primary bond markets, although differential interest rate levels and credit ratings provide increasingly comparable international price signals.

Banks and banking systems have traditionally revolved around 'relationship banking' and the 'intermediation function' - the ability of bankers to assess highly specific credit risks and to make skilled, experienced judgments about lending. Thus banks have been seen to constitute invaluable specific assets, enabling extensive savings on transactions costs which may not be available in more freewheeling stock and bond markets. Banking systems, overseen by central banks, have been the primary stabilization mechanism in national and international finance throughout the modern era.

All this is in the process of changing. Banks are seeing their old functions eroded, while new functions are developing which bring into question the whole relationship between banking systems and the state. The 'global, integrated, 24-hour financial marketplace' is driving twin

processes of deregulation and securitization - the latter involving the substitution of complex (marketable) securities issuing and trading for intermediated bank lending ('disintermediation'). Excessive deregulation and securitization processes discourage the industrialization hiking bank interest rates. There is increasing the number of bank defaulters, money launderers not only in Bangladesh but also in other developing countries. Even, the economic recession in USA, 2008 has occurred due to excessive deregulation in financial markets.

State action has not merely reinforced but also initiated market restructuring. Although there are significant differences in the restructuring process from state to state, governments in all of the major financial powers have promoted increased disintermediation and securitization, and supported or even forced the pace of financial innovation. Multiplying the effects of this transformation have been dramatic innovations in information and communications technology, particularly crucial for the information-dominated financial services sector. This has led to a quantum jump in the sensitivity of prices of financial instruments across the world. The growth of financial capital has been jumped leading the price hike of financial goods for innovations. In Bangladesh, banking services are on the doorsteps of the people; but the commons are hardly able to purchase these at the reasonable price. Actually financial globalization acts little for humanism.

Cross-border price sensitivity - the key to internationalization - is much easier to foster and expand in financial markets than in other markets because of the abstract character of finance itself. No physical goods need to be produced or exchanged. Genuinely price-sensitive financial markets attract holders of capital in general, because of the ease and scope of participation in those markets compared to the longer-term risks of actually making things. (However, even those who wish to make things need capital, and are forced to go to the financial markets to find that capital.) In product terms, firstly, finance has become the exemplar of a flexible industry. Financial innovation has been rapid and far-reaching, affecting all parts of the financial services industry and shaping every other industrial sector (Crawford and Sihler 1991). But product innovation has been matched by process innovation too. Management structures in financial services have evolved a long way from the traditional staid world of domestic banking, and traders and other financial market actors and firms are expected to act like entrepreneurs (or entrepreneurs) as a matter of course. The ownership and transfer of shares and other financial instruments are increasingly recorded only on computer files, without the exchange of paper certificates -what the French call 'dematerialization'. With the globalization of production and trade, market demand for

financial services products is continually segmenting, too. Exchange rates and interest rates, essential to business decision-making as well as to public policy making, are increasingly set in world markets (Fukao and Hanazaki 1987). Industrial structures are increasingly coordinated through the application of complex financial controls, rapidly evolving accounting techniques, financial performance indicators and the like.

An international 'ratchet effect' has been at work. Each deregulation has led in turn to increased structural complexity and price sensitivity, making a return to tighter national-level regulation less possible. The same process can be seen in securitization and disintermediation. Negotiable securities which can be bought and sold by any 'bearer', from certificates of deposit to complex mixes of debt and equity, can be traded in secondary markets, and the most attractive and efficient such markets i.e., the most liquid are international markets. Price margins are finer and price sensitivity is growing across an increasingly complex range of securitized financial products. New, complex and often specially tailored instruments have been designed to find new marginal price niches. A notable example is the development of financial 'derivatives' markets - mainly futures, options and swaps - in which financial instruments, linked, say, to an index of stock market prices or to changes in interest rates, are intended to hedge against loss in more volatile 'underlying' markets; they do not require the actual buying and selling of the underlying securities - and are rapidly becoming the most globalized (Goldstein et al. 1993a and 1993b). The world stock of 'derivatives' alone has recently been put at \$12 trillion (1994), up from \$8 trillion the previous year. Such figures are probably an underestimate, as the stock of swaps alone has recently been put at \$9 trillion (early 1995) - twice the Gross Domestic Product of the United States of America. Banks too must compete for business in this marketized environment, altering the balance of their activities dramatically.

The essential mechanism of change in the area of financial regulation is what those in the financial sector call 'regulatory arbitrage' - that is, the process of investors, borrowers, financial services firms, banks, etc., seeking out that regulatory system (country, regulatory agency, etc.) with the loosest controls, and directing their business there. Once the dikes of domestic regulatory compartmentalization and international capital controls have been breached in key sectors - as in the expansion of the Euromarkets and the breakdown of the Bretton Woods system in the 1970s - other market sectors seek to reduce existing regulatory barriers their own areas in order to compete (Cerny 1993, and Underhill 1991). Like Euromarkets, the developing nations expanding their capital markets on the basis of the deregulation process ; but it is suggested that it should be up to a expected limits. Otherwise

it may be victimized by downtrends. Even, the fundamental decisions may be formulated by some restrictions thinking the human greed.

Impact on Public Policy

Financial internationalization is at the heart of the development of the 'competition state' (Cerny 1990 and 1994b; Andrews 1994). Indeed, it has been the motor of change. Deregulation is an ongoing process which increasingly puts the financial economy in a position of hegemony over the real economy at both international and national levels, undermining not only policy autonomy but the very bases of state authority and democratic legitimacy. The implications are crucial to many aspects of contemporary politics, and are at the root of widespread and far-reaching changes in the nature of political structures and processes in general. Challenges to traditional notions of political power stem directly or indirectly from financial globalization in three main areas: the nature of the state itself; the nature of public policy; and the future of democracy in a globalizing world. No state can take decision autonomously; rather all states have to formulate their policies being influenced by IGOs or rich nations. In most spheres the policies do not work properly due to the lack of unsuitability for the hosts.

Undermining the State

Financial internationalization and its fallout in terms of regulatory arbitrage have fundamentally undermined the traditional differentiation between the international, national, and sub-national levels of analysis. Globalization is a domestic as well as a transnational and international process. Agents such as interest groups, social categories, political entrepreneurs, bureaucratic actors and the like - not to mention an increasing number of individual consumers and market players - are linked into the global economy (and society) as surely as they are bound by national or domestic society. 'Social forces' are increasingly transnational (Cox 1981). There is absence of international political structure - all are being shaped by market mechanism both in international and national levels which hollow out the state policy autonomy (economic policy).^{xvi} Competitive deregulation and regulatory arbitrage are central mechanisms in this process - but they are only entry mechanisms, pricing open the domestic state and exposing its institutions and processes to a globally- and financially-driven 'hollowing out' process (Rhodes 1994). State power is now declined in market pricing and business ethics. Market syndicalism determines the price of goods and creates the crisis of essentials hoarding illegally. By these fraud activities consumers are deceived always. In these activities state power was required to be active; but international regulations always discourage to do so. Furthermore, links between state actors themselves

(politicians and bureaucrats) now cut across states and bureaucracies, not only in the form of international agencies with increasingly critical roles to play (e.g., the Bank for International Settlements [BIS] or the International Organization of Securities Commissions [IOSCO] in the financial issue area) but also in the form of so-called 'trans governmental networks' - policy networks which are connected to global pressure groups – that make a force the splintered state model. Moreover, global financial regulators create a linkage with national actors to be influenced in policy lines.

Given the limited financial resources of states, the sort of battle they can wage is limited to gaps left in the markets, i.e., to competing for 'footloose' international capital. The ability to tax effectively - probably the most important single organizational underpinning of the modern nation-state is under threat (Webb 1995). It is notable that then state authority faces the difficulties during tax determination being opposed by the business organizations. Then government imposes it upon unorganized marginal people. For instance, income tax collection is less than the VAT. In Bangladesh, the collection of income tax is too little to imagine. It is seen here that state is a bit helpless to the business elites. The abstract, non-specific character of financial capital is its key characteristic in this context (Cerny 1994b and 1995). States cannot take decisions to close or control financial markets as easily as they can decide to open them, and are therefore in a weaker position to shape the decision criteria of market actors throughout the economic system. Financial neo-mercantilism adopts deregulation policy that makes the public choice and capital flow into barrier-less competitive market force – states leave their regulatory power for various national and international actors. Thus in the financial issue area, states tend to undermine their own regulatory powers willingly, even forcing change on what are perceived to be uncompetitive market sectors, such as 'cozy clubs' of traditional stockbrokers. This sort of disarming in order to be stronger then spills over into other sectors, in order not to undermine the 'confidence' of the international capital markets. Deregulated capital flows have been created as competition as cycle of investments. Capital generates capital multifold contributing little shares to the host.

Some sorts of capital are more specific than others, of course, and this leads to different kinds of political conflict and competition in different sectors of economic activity (Frieden 1991). Capital flows towards the non-development sectors lead to socio- political conflicts. Bangladesh receives the capital from outside almost in non-development arenas which is a root cause of corruption and conflicts. About 40 percent of these capitals are almost misappropriated and wasted. But increasingly the key domestic interest groups are those

which are tied in most closely to the international economy. Those with the most material resources and the most mobility are the financial services industries and those other groups which are most closely tied to them - i.e., not only multinational corporations, but also smaller firms which produce and distribute 'tradable' goods, which must finance their operations, buy raw materials and other imports, compete against foreign producers and so on. These key interests seek a voice in the process, and threaten exit - but have no loyalty (Hirstman 1970). Barriers to international capital mobility are therefore increasingly costly to erect, both economically and politically. Capital flight has become the norm, as can be seen in the Mexican financial crisis of early 1995. States must increasingly turn to policies which will either prevent capital loss or attract capital from outside - but preferably both at the same time (Reich 1991). The state has been an enterprise to meet up the needs of financial capital – organization associated by a new international capitalist elite group (both liberal and Marxist elite) – it has been transformed into a marketwise and internationalized phenomenon.^{xvii} Besides, state works in favor of market economy more and more; but little for social welfare and human capital.

The international role of the state is changing too. National governance is being transformed into global governance. All the states are too much interdependent for all sectors. The international system is no longer the system of states portrayed by realists (Waltz 1979), but increasingly a 'web of contracts' organized around different core economic, social and political issue areas and networks, or 'transnational structures' - going well beyond the 'complex interdependence' of states themselves.^{xviii}

Financial deregulation occur a change of responsibility, accountability, and authority. Such a change may be regarded as both positive and negative. It is viewed positively as the allocation of financial resources is more efficient in market system – negatives are regarded as an abdication of the responsibility of states for managing the global financial system. Deregulation has two specific political advantages. Firstly, on the domestic level, it can be the mere removal of regulations; therefore it can attract a coalition of strange bedfellows. And secondly, on the international level, the decision to deregulate can be a unilateral one. Deregulation, then, is a policy option which may pursue in an anarchical international system - that is, where there is a lack of sufficient shared preferences for a collectively agreed outcome to emerge. It represents a so-called 'non-cooperative equilibrium'. In the financial arena, multilateral action would now be necessary to close off or control international financial flows; abstract money would otherwise simply flow around.

In this environment, the most effective form of re-regulation would be to evolve new multilateral mechanisms or to breathe new life into old ones (Ruggie et al. 1992). A 'new multilateralism' might in theory be achieved in two distinct ways: either by developing more effective forms of intergovernmental cooperation; or by establishing or reinforcing more autonomous transnational regimes. The problem is that international cooperation and transnational regimes may be easy to prescribe, but they are hard to establish and to make work effectively. Bangladesh is hereby in backwardness in international cooperation due to the lack of globalized character. But India like states is more globalized and cooperative that leads them to development. Unless there is a cumulative and simultaneous mobilization of different states' perceptions of their shared national interests - in a fundamentally additive rather than hierarchical process - even well-established regimes are likely not only to lack clout but also to be rudderless and fragile in practice. The success of the most important recent agreement - the 1988 Basle Accord on bank capital adequacy ratios - depended upon (a) the capacity of the US Federal Reserve to take an effective lead role, (b) the deference with which the Fed was treated by American bureaucrats and politicians on this issue, and (c) the ability of national regulators to ensure compliance by the private sector (Kapstein 1994, and Reinicke 1995). These are not easy conditions to replicate.^{xix} The external capacity of state institutions and policy processes - as well as internal state capacity - has thus been significantly undermined by financial internationalization.

Financial Constraints on Public Policy

The capacity of states to provide public goods in general is under challenge too (Cerny, 1995). A more 'flexibilized' state is emerging to go along with a more flexibilized or 'post-Fordist' economy^{xx} -and it is one which is increasingly organized along financial lines. There is changing the policy process that make a gap between the internationalizing economy and real economy.^{xxi} The need to obtain and maintain the confidence of international capital markets hits weaker states most, but central bank and other 'gatekeepers' located within domestic state structures are increasingly having to pass on the consequences of international market conditions to domestic actors, policy makers and institutions, with a central emphasis on anti-inflationary policy. In consequence, knock-on constraints are growing in many specific policy issue areas. The most obvious of these is in the area of domestic monetary policy, in which the Mundell-Fleming model has long been seen as correct -i.e., that you cannot have (a) an effective exchange rate policy, (b) an autonomous monetary policy, and (c) a lack of controls on cross-border capital movements all at the same time (Frieden 1991). For example, the US Federal Reserve Board has normally tried to set interest rates by reference to domestic monetary criteria. However, if domestic monetary

policy is to be orthodox enough to impress the markets, the strain of the resulting anti-inflationary effects has to be taken by fiscal or distributive policy (macroeconomic policy, taxation, welfare, industrial policy, etc.). A climate of embedded financial orthodoxy will permeate the budgetary process, with widening circles of government austerity reaching ever-increasing parts of the state. This is a problem of institutions of structure rather than one of agency. The government structure of Bangladesh is undoubtedly traditional and that's why, economic management is not so perfect and corruption, unskilled people have been burdening too much.

This structural vicious circle takes many forms. One of the prime functions of government - the regulatory policy which maintains the very stability and soundness of the economic system itself – it is eroded by regulatory arbitrage, at three levels: between states; between agencies (and industry sectors) within countries; and between agencies and industry sectors with links across different countries. The key public good of regulation itself is increasingly fragmented and even 'privatized'. It has been argued that the international securities market is already regulated not by states but in de facto fashion by a 'private' regime centered in the International Securities Market Association (Fillipovic 1994). Monetary and banking economists too offer frequent arguments in favor of private regulation of the banking sector.^{xxii} Domestic corporatism has also come under increasing pressure from internationally-determined prices for labor and for outputs (Reich, 1991), not to mention the need for firms to raise capital in transnational capital markets (and therefore to reward the shareholders and to privilege financial short-termism over investment). Finally, redistributive policy of the modern state has been transformed - pressure for cost-cutting in the welfare state is increasing rapidly; but within the welfare state itself entitlement programs (e.g., unemployment benefits for a larger proportion of the population in succeeding cohorts) increasingly take priority over public and social services. Marketization of the state in general and of public services in particular further accelerates the commoditization process, as marketization in one 'sphere' of social and political life breaks down beliefs.

Democratic Deficit within Globalization

Two linked issues concerning democracy in general, and central to the notion of a growing 'democratic deficit', arise from the consequences of financial globalization. On a more prosaic level, state actors themselves are less and less willing or able to pursue policies which are democratically desired unless such policies do not cause capital flight or do attract capital from abroad (especially financial capital). This is not 'governmental overload' (1970s

style) but rather a sort of democratic underproduction. The democratic institutions and their functions, the rule of law are now under acute external pressures. The three organs of the government can work little independently towards good governance. Most of the economic and political policies are formulated by the influences of IGOs especially in the developing countries like Bangladesh, Pakistan, and Nepal etc. Socio-economic developments are discriminated for non-adjustment of internal and external influences in policy process. The policy model often aimed at by regulatory reformers is that of the 'independent central bank' (the Bundesbank model) - i.e., the strengthening of a supposedly 'non-political' institution to guard against inflation. The independence of central banks, in theory, is supposed to ensure that governments will not do anything which upsets 'the markets'; central bankers will stand guard over the natural tendencies of politicians to act out of political expediency, especially in terms of pursuing policies with potentially inflationary consequences. Such a non-democratic guardianship expresses the political predicament represented by financial orthodoxy – private sectors are getting distinct and autonomous increasingly by adapting the international systems.

On a more general level, however, the implicit issue is whether a more open, supranational financial economy might lead to a more efficient allocation of financial resources in the world economy generally or not. Will the long-term end - increasing plenty - justify the means - potentially undermining national democracy (McKenzie and Lee 1991, and Reich 1991)? In the short and medium term, however, the focus of debate has been whether an open world financial economy would be inherently stable or more unstable and volatile. At one level, it seems unlikely that there will be a full-scale collapse of the international financial system analogous to the 1930s. What is more to be feared, however, is the development of an inbuilt tendency towards embedded financial orthodoxy itself - impervious to democratic demands - on the one hand, and the expansion of difficult-to-control conflicts over how governmental austerity is to be distributed, on the other. These conflicts seem to be deepening between the developed and underdeveloped worlds, among countries within the developed world, and within developed countries themselves (the rise of an underclass, the impact of increasing migration, the return of boom and slump cycles, etc.). Democratic representation and accountability may not be available to provide the mechanisms for resolving such conflicts. The problem is that our basic understanding of modern liberal democracy is trapped in the confines of the nation-state. Today, liberal democracy remains deeply entrenched in national social formations mainly because the ideological and cultural power of the latter is still, and even increasingly, rooted in populations accustomed to liberal-democratic political institutions and processes (Cerny,

1996). In this context, the democratic deficit is not the product of global financial or economic constraints alone, but also of a revolution of rising democratic expectations in the post-Cold War First and former Second Worlds as well the renewed popularity of democratization in the Third World.

The result may be a backlash which could undermine democratic capacity further. At one level, the state may be ground down between transnational financial constraints on the one hand, and growing democratic demands for political action precisely to counteract the effect of those constraints on the other. In liberal democratic political systems, politicians are expected to pursue policies which prevent financial crises and market failures as well as pursuing social goals. When crisis and market failure occur in political systems with widespread access for individuals and groups to a range of different governmental levels, demands for domestic re-regulation are likely to grow. Politicians must at least address this issue in public, and may attempt to seize the opportunity to propose domestic-level solutions. At the same time, of course, the state may be required by international constraints to pursue unpopular and damaging monetary policies in order to prop up exchange rates - or even to bail out speculators with taxpayers' money. The contradiction between politicians' promises of national solutions and what governments actually can do well grow, not shrink.

End Notes

ⁱ See Townsend (1993:102). He argues, IGOs 'do more than provide a context in which this development takes place. They initiate, guide, influence and determine as well' (1993: 102), by underwriting the conditions and patterns of international economic investment, production and exchange and setting the parameters of national macro-economic policy. Indeed, he contends that insofar as these institutions play a key role in determining how resources are accumulated and distributed globally, they form an important part of any explanation of inequality and poverty globally.

ⁱⁱ Cf. S. Amin, (1997). For evidence, the expanding membership of GATT reflects the global expansion of capitalism which, combined with the failure of economic development in the so-called socialist countries, is now drawing into the international economic system, not only the formerly communist countries of Central and Eastern Europe and the former Soviet Union, but also countries such as China and India which have abandoned long traditions of self-sufficient development for enthusiastic integration into the global economy This support by the 'comprador bourgeoisie of the periphery' for the GATT reflects their support for the principle of free trade and improved access to Northern markets.

ⁱⁱⁱ See e.g. Chossudovsky (1997); Nader and Wallach (1996)

^{iv} Cf. Nader and Wallach,(1996). For better information, the WTO is able to impose legal obligations on states to comply with international trade and investment law, and can apply trade sanctions if a government fails to make its laws or practices conform to international law.

^v See e.g. Dunkley, (2000: 198).

^{vi} Clearly, if the WTO had its way, then equity concerns would be displaced by commercial considerations, and the state would have to allow a greater role for the private (commercial) sector in health services and treat domestic and foreign health providers equally. States would have to prepare the ground for the privatization of health and social care services (Koivusalo, 1999) and thus for a two-tier service, public provision for all (where it exists) would become public provision for the poor, high risk (i.e. less profitable) groups that the private sector is not prepared to cover.

^{vii} Cf. e.g. Sanger, (1998).

^{viii} See Deacon, (2000a: 25); see also UNRISD, (2000).

^{ix} Cf. Polak, cited in Dasgupta, (2005:36)

^x See World Bank, (1992). For evidence, in 1989, the World Bank pointedly raised the issue of improving development performance. In its document on sub-Saharan Africa, it was affirmed that due to a 'crisis of governance' the Bank's programs of adjustment and investment were not proving effective there. So, there came up a push for good governance as 'sound development management' which was defined by the Bank as 'the manner in which power is exercised in the management of a country's economic and social resources for development'.

^{xi} See e.g. Sing, (2005:136).

^{xii} See UNDP, (2002:51). For details, Good governance promotes human development (i.e., 'governance for human development') and democratic governance. It is 'much more than effective institutions and rules'. It is 'partly about having efficient institutions and rules that promote development and ensuring that public services live up to their name'. It is also about protecting human rights, promoting wider people's participation and achieving 'more equitable economic and social outcomes'. It is 'concerned not just with efficient, equitable outcomes but also with fair processes'.

^{xiii} See Sing, (2005). For better information, International aid agencies emphasis on promoting decentralization and local self-governance by involving local bodies and NGOs in the developmental projects with a view to reduce poverty and expedite economic growth. In this context, developmental tasks are being assigned to these bodies without properly evaluating their performance, capacity to deliver and sustainability. The accountability of NGOs is highly problematic as they intend to be answerable to donors rather than people. Unequal power structures exist at local level and in such situations it would be erroneous to presume that these institutions can function in an impartial manner.

^{xiv} Cf. Jayal, (1997).

^{xv} See Mohanty, (2004:109). The new governance package, popularly known as 'good governance', is advocated by the major multilateral and bilateral development/financing agencies. They share the view that better quality of governance would promote development, which, in their opinion, is not happening in the third world. So, there is an urgent need to introduce governance reforms. Here, good governance is not confined only to traditional civil service/public administration reforms. The agenda of reforms is very comprehensive in nature.

^{xvi} See Rhodes, (1994).

^{xvii} For evidence, the state is increasingly an enterprise association organized around servicing the needs of financial capital. From a class perspective, new international capitalist elite may finally be emerging. ^{xviii} The consolidation of coherent elite of this kind was predicted by both liberals and Marxists in the 19th century, but nationalism and the nation-state demonstrated remarkable survival power, as evidenced in the behavior of both elites and workers in the First World War. In recent years, however, even the state itself has been transformed into a marketwise and internationalized phenomenon (Cerny, 1990; Dunleavy, 1994).

^{xviii} Cf. Keohane and Nye, (1977).

^{xix} See Cerny, (1993); pp. 175-7.

^{xx} See Rifkin, (1995); Amin, (1995).

^{xxi} Cf. Cerny, (1993), Chapter 6. More details, In addition to changing policy-making processes, there is a growing gap between the needs of an internationalizing financial economy and those of the real economy.

^{xxii} See Sawamoto, nakajima and Taguchi, (1995).

Chapter Three

Globalization: Development Discourse and Social Change

Development issues and social changes are inter-related phenomenon. Development concept and the society are always changing influenced by globalization. The strategy of development presently is centered with increasing the standard of lives, poverty alleviation of masses. Earlier it was based on only growth oriented. Globalization changes the development concept and strategy worldwide. Society and culture is being changed rapidly by media technology. The structure and nature of the society is reshaping always in forms of western culture. Life style, behavior and fashion are formed in the light of capitalism. Physical development occurred, but morality is not on upgrading.

Development Approach

Whilst the 1980s and 1990s can be considered a time of crisis, the period from the 1950s to the 1970s was one of great optimism concerning the prospects for development in the Third World. The 1960s was declared the United Nations' First Decade of Development, with the declared aim to be 'the attainment in each less developed country of a substantial increase in the rate of growth, with each country setting its own target, taking as the objective a minimum annual rate of growth of aggregate national income of 5 per cent at the end of the decade' (UN Yearbook 1961, cited in Leys 1996: 109). This growth rate target was increased to 6 per cent per annum in the Second Development Decade (the 1970s), and ambitious industrialization targets were also set. But the expectation of 80s was in vain and in 90s it was seen that 300 million people in Sub-Saharan Africa are in extreme poverty.¹ In the developing countries as a whole, nearly 800 million people do not get enough food, and about 500 million are chronically malnourished. Almost one-third of the population of developing countries — about 1.3 billion — live below the poverty line. The infant mortality rate, at around 350 per 100,000 live births, is about nine times higher than that in the 'advanced' industrial countries (UNDP 1995: 16).

It is clear that growth rates fell in most of the countries in the Third World except some Asian and Latin American countries i.e., development was failed.ⁱⁱ The growth rate targets were set up accordance with no consideration of field necessity. Rather, the target setting was on theoretical perspectives and the basis of the North socio-economic structures. Moreover, the growth that did occur in the 1960s and 1970s often failed to 'trickle down' and so did not appear to relieve the problem of poverty. The third world countries had no the infrastructure, leadership, resources and human capital. The target fulfillment activities encouraged the administration to be corrupt and unstable. These problems were intensified in the 1980s as growth rates and living standards for many fell.

This section examines the crisis of development in the 1990s and aftermaths. Three principal concerns is therefore with discourses of development and the Third World, rather than with globalization — although it will become clear that after 1945 the development discourse was a global one, and debates around development were increasingly simultaneously debates about the character of global processes. In focusing on development the chapter stresses its uneven, unequal and (in part) contingent and contradictory nature, issues taken up in later sections which are more explicitly concerned with globalization processes. Although the idea can be traced back to at least the nineteenth century, it was in the post-war period that the idea of development was made explicit. In his inaugural address as president to the people of the United States in 1949, Truman argued that there was a need for the countries of the modern world to solve the problems of the underdeveloped areas.

More than half the people of the world are living in conditions approaching misery. Their food is inadequate, they are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history humanity possesses the knowledge and the skill to relieve the suffering of these people ... I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life.... What we envisage is a program of development based on the concepts of democratic fair dealing . . . Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge (cited in Escobar 1995: 3).

Truman's famous address indicates the Third World is underdeveloped and primitive and these problems have to be overcome through the Western path. Because, the West is the advanced most in all spheres.

Development Contents

As the quotation from Truman above makes clear, the key to the development of the underdeveloped areas were economic growth. Development was regarded as a technocratic process in which the state would play a leading role in planning output and investing in dynamic sectors such as new industries. In this way, the underdeveloped areas would gradually catch up with the advanced industrial world. Development- or modernization- was therefore defined as:

The process of change toward those types of social, economic and political systems that have developed in Western Europe and North America from the seventeenth century to the nineteenth and have then spread to other European countries and in the nineteenth and twentieth centuries to the South American, Asian and African continents (Eisenstadt 1966: 1).

Although there were some important differences of emphasis between different theorists and practitioners of development, all were united around the strategy of modernization through rapid economic growth. Industrialization was seen as a key strategy because new rounds of technological investment increase productivity and thereby expand output. As Moore argued:

What is involved in modernization is a 'total' transformation of a traditional or pre-modern society into the types of technology and associated social organization that characterize the 'advanced', economically prosperous, and relatively politically stable nations of the western world (Moore 1963: 89).

The leaders of new states in the Third World were critical getting pressures from the communist and capitalist blocs and in this condition in 1961 Non-Align Movement was established to be free from the pressure of them. This was followed in 1964 by the formation of the United Nations Conference on Trade and Development (UNCTAD), which attempted to win some reforms in the international economy. These organizations had a different emphasis from Western-based theories of modernization, but both approaches shared the assumption that the most effective strategy for development was rapid economic growth. Nationalist leaders such as Nehru (India), Nkrumah (Ghana) and Sukarno (Indonesia) were particularly keen to develop the potential of their people, which had been held back by colonialism, while at the same time taking advantage of the opportunities that Western aid and technology had to offer. The principal development strategy for the Third World from 1950s to 70s was import- substitution industrialization. The industry was firstly established for domestic markets and it might have to be later export-oriented. They have to protect their exports through tariff. At first stage,

investments were emphasized on consumer goods and later intermediate and finally they can go for capital goods.

The development policy was with the explicit plans of higher productivity that was not only to industry but also the agriculture such as Green Revolution. This strategy involved the introduction of a technological package such as modern high-yielding varieties, chemical fertilizers and irrigation schemes with the express purpose of increasing agrarian output. This strategy was actively implemented by many Third World states (such as Mexico, the Philippines and India) from the 1950s and 1960s onward, and enjoyed the backing of pro-development institutions from the United States such as the Rockefeller Foundation (Kiely and Marfleet 1997). It is observed that Bangladesh, along with India, Mexico, and so on, introduced high-yielding technology such as chemical fertilizers and irrigation schemes. As a result, agrarian outputs increased at a notable rate that met the increased food demands and these trends are still continued. About 40 million tones of paddy are grown presently in Bangladesh. Global rules and strategy support the agriculture sectors as well as garment industries. Again, the jute industries are on threatening position due to the change of global technology. Synthetic fiber technology lessens the importance of natural fiber globally which although causes a vulnerability to environment.

By the late 1960s, however, such a view was becoming increasingly difficult to sustain. International Labor Office (ILO) figures for 1972 estimated that 39 per cent of the population of the Third World was 'destitute', and 67 per cent was described as 'seriously poor' (Kitching 1982: 70). Such figures showed the inadequacy of official measures of development, such as Gross National Product. GNP measures the total output of a country for a given year, and this is usually divided by the size of the population in order to arrive at a per capita GNP figure. In early 1970s about 68 percent of Bangladeshi was in extremely poverty-the growth rate was low that did not distributed to the rural poor accordingly. Actually, growth benefits are going towards the favor of city people. In capitalist countries public policy works little for the rural people. The problem, however, is that such a figure tells us nothing about the way that such income is distributed within a country, or whether everyone has access to elementary needs such as food, education, health-care and housing.

Recognition of these problems helped to pave the way for a revised in the 1970s, based on the ideas of 'redistribution with growth' and 'basic needs'. The ILO first put

forward the idea of redistribution with growth in 1972, while the World Bank adopted its basic needs strategy the following year. These strategies argued that growth should remain a priority of development strategies, but that this should be combined with increased attention to those (basically the poor) who had previously been marginalized. As the World Bank argued:

Past strategies in most developing countries have tended to emphasize economic growth without specifically considering the manner in which the benefits of growth are to be redistributed . . . Although in the long run, economic development for the growing rural population will depend on expansion of the modern sector and on non-agricultural pursuits, too strong an emphasis on the modern sector is apt to neglect the growth potential of the rural areas. Failure to recognize this has been a major reason why rural growth has been slow and rural poverty has been increasing. (World Bank 1975: 16)

As this quotation makes clear, particular attention was paid to the small farmer and the need for rural development. The World Bank's president at the time, Robert McNamara, was principally concerned with increasing the productivity of the small farmer, so that 'they duplicate the conditions which have led to very rapid agricultural growth in a few experimental areas so as to stimulate agricultural growth and combat rural poverty on a broad scale' (McNamara 1975: 90). Redistribution with growth was to develop the productivity of urban informal employers. Actually this was to introduce labor- intensive technology to be gained of wealth.ⁱⁱⁱ

These strategies were hindered to some extent by a lack of clarity over aims and methods, but perhaps more importantly by a failure to confront the realities of power within different parts of the world (Leys 1975). It is seen that presently the growth rate is increased high but redistribution strategy did not put good effects in Bangladesh and most other developing countries. Inequality increases alarmingly with increasing the growth rate. Merely economic growth can alleviate poverty little unless policy equity is well functioned. At present relative poverty increased in rural areas-though extreme poverty decreases, 31percent of rural people are still in ultra poorness in Bangladesh.

Neo-liberalism and Development

The neo-liberal 'counter-revolution' in development studies (Toye 1987) arose in the context of the debt crisis of the early 1980s. Briefly, the Bretton Woods system of fixed exchange rates was effectively abandoned between 1971 and 1973, when the United States devalued the dollar against the price of gold a gradually allowed for

the introduction of a system of floating exchange rates in the world economy. Although there was still some attempt to regulate the exchange rates of particular nations (for instance, through the IMF), there was no successful replacement for the Bretton Woods system (for more details on the collapse of fixed exchange rates, see Brett 1985: 111-25). In 1982, a debt crisis emerged due to the fixed exchange rate and Mexico defied paying interests. Even many other countries followed the path that made a bankruptcy of the global lenders.^{iv} Bangladesh faces such type of debt crisis -about 13 percent of national budget are presently spent for interest payments. It cannot deny the external credit like Mexico. Rather, a major portion of national budget of Bangladesh is still dependent upon external debts.

The main contention of neo-liberal theory is that 'orthodox' state-led development and in particular import-substitution industrialization (ISI), is inefficient. State intervention in the economy was deemed to be inefficient for three principal reasons. First, state protection of domestic producers had the effect of reducing competition in the economy. The result was that there was no incentive for companies to be efficient, and so the state was in effect protecting inefficient producers. This in turn meant that the goods that were produced were of a high cost, and low quality, and these costs were passed on to domestic consumers within particular nation-states. Second, state intervention encourages unproductive 'rent-seeking'(Krueger 1974). This activity can be broadly defined as unproductive income-earning economic activity derived from state regulations. For example, state controls over imports through licensing leads to lobbying pressure by companies to secure access to one of the scarce licenses. Companies are thereby encouraged to spend a good deal of their time on lobbying for a license (which may involve bribing government officials) rather than on productive, wealth-creating activity. Third, state regulations have the effect of automatically discriminating against some sectors at the expense of others. For instance, a state-protected and over-valued exchange rate has the effect of making potential exports more expensive in the world market, and so acts as a disincentive against would-be exporters operating within a particular nation-state (World Bank 1984: 35). Neo-liberal theory is rational in the context of efficiency. But it makes good results hardly for the poor countries. Privatization has reduced the burden of government enterprises; but it reduced consumer miseries too little especially from the hiked service costs in Bangladesh like nations. It is observed that the rich nations also face the price hike of essentials due to capitalistic mentality.

Neo-liberals therefore argue that ISI was not a sustainable strategy for Third World developers because it encouraged the growth of inefficient, expensive activity (through state protection of domestic producers); discouraged export-earning activity (through states artificially maintaining high exchange rates); and discouraged traditional wealth-creating (and also export-earning) activity such as farming (through state discrimination in favor of industry and against agriculture). It is not surprising, therefore, neo-liberals contend, that many nations found themselves in a situation by the early 1980s in which they were importing far more than they were exporting. Neo-liberals increase the growth rate of service (transportations, housing and so on) sectors; but manufacturing sectors are being import-oriented in the Third World countries yet. Foreign aids, credit are provided for service sectors not for manufacturing.

The neo-liberal remedy for these problems was the encouragement of the private sector and the liberalization of Third World economies. Three key policy proposals were recommended: currency devaluation, rolling back the state and the liberalization of international trade. Devaluation of the national currency is said to encourage exports by making them cheaper on the world market; and at the same time discourages over-reliance on imports by making them more expensive (World Bank 1984: 35). Rolling back the state entails a reduction in state economic activity such as planning, and the consequent promotion of 'unhindered market forces' as the best route to development. Third, the liberalization of international trade entails the abolition of import controls, and the reduction in tariff rates, which will force firms to be efficient as they face competition from foreign producers. It is observed that currency devaluation increases exports little; rather the price of essential is hiked from country to country. Besides, reduction of tariffs hinders the industrialization process because of increased imports. Even Industrial countries increase the volumes of export to the developing countries. In this record, Bangladesh is a good example- Bangladesh cannot increase the exports than that of the imports.

Neo-liberal theory has an active role on the structural and stabilization programs and that are launched in many countries since 1980. Stabilization programs include reduction of balance of payment deficits, currency devaluation and cut of public expenditure. On the other hand, structural adjustment programs suggest to liberalization, competition, and privatization- all are designed by WTO. The impact of adjustment has varied across countries and it would be mistaken to assume that

adjustment policies are simply the product of messianic World Bank neo-liberals imposing their will on weak Third World governments. In practice, adjustment policies have involved long and complex negotiations between the World Bank and Third World states, and have varied in their intensity according to the impact of recession within a particular country, and domestic political factors (Mosley 1991). Though structural adjustment includes the reduction of public spending and competition, the host countries adopt it hardly. Public spending increases rather than earlier and instead, bad market competition and syndicalism are extended due to the lack of good governance.

Market forces may not only be inefficient, they may also promote injustice. Markets are hierarchical institutions in which some people enter into transactions on a far from equal basis with others. As Mackintosh (1990: 50) argues, the 'profits of a few, and growth for some, thrive in conditions of uncertainty, inequality and vulnerability of those who sell their labor power and of most consumers'. The neo-liberal economic system is observed as the key breeding source of inequality and injustice from country to country. Within and outside the countries inequality is a great problem. Labor forces cannot sell their labor power at a rational wages due to the lack of policy supports from both internal and external authorities. There are increasing the volume and quality of consumer products resulting in no welfare for them. Price hike and deception in trade are creating various troubles of commons. There is a bad outcome of capitalism regarded as syndicalism that makes the market dark and fraud. The neo-liberal era of development has not been a big success, and in some respects it has actually made things worse.

Development Deconstructed

The history of the idea of modern development can be traced back to the emergence of industrial capitalism in eighteenth-century in Europe (Cowen and Shenton 1996). Development was 'imagined' as a way to stabilize the chaos caused by the industrial revolution in Europe, 'to create order out of the social disorder of rapid urbanization, poverty and unemployment'.^v Actually this idea could not stabilize the social order and reduce the poverty without creating social unrest more. Socio-political crimes increase day to day both in the North and South. Development therefore has a far longer history than its supposed invention by President Truman in the 1940s. This section attempts to show that the optimism of post-war development thinking was misplaced. There were motives other than altruism which influenced the policy of

the United States and its allies towards the Third World, and the ideology of development — at least as conceived by Truman and like-minded thinkers - was full of contradictions. From the point of view of the 'backward areas', then -both the context and the content of development were problematic.

Development Assistance

International financial and development institutions play a central role in facilitating developing countries' access to financial resources for public purposes. This section focuses on the provision of financial assistance in the form of loans and aid by the IMF, World Bank and UN. These institutions, in conjunction with transnational development banks and institutes and bilateral aid agencies, have sustained the major economic and social inequalities that characterize contemporary globalization; they have overseen the accumulation of unprecedented levels of wealth in the advanced industrialized countries and mass impoverishment in, and indebtedness of developing countries. The discussion below focuses in particular on economic and social conditionality attached to loans and aid and their social consequences.

Development Loan

The IMF is a key international creditor as well as a monetary institution and it provides loans to countries to resolve balance of payments difficulties. The most contentious IMF credit facility is the Extended Financing Facility (EFF) (1974) which was designed for countries experiencing severe, structural 'imbalances' in trade and production. Receipt of EFF funds requires the recipient government to repay the loan at the market rate of interest. When it became clear that the poorest countries could not manage repayment of debt within the IMF's existing credit facilities, the Structural Adjustment Facility (SAF) was established to provide loans for economic reform programs at a low rate of interest and long-term repayment agreements. In 1987, the Extended Structural Adjustment Facility (ESAF) was introduced and was funded by 'soft loans' and donations from around 40 of the richest countries (Bakker 1996). World Bank is usually regarded as a development institution; but it is playing a vital role as financial institution. It provides credit and loan to different projects and programs mainly in developing countries to enhance productivity and inward private investments.^{vi} The World Bank and its sister concerns never face the losses but handsome turn over from their loans. Developing countries take loans continuously but they cannot come out from indebtedness and

incur desired development. Their loans are provided mostly in unproductive sectors imposing various complicated conditions which can perform development very little.

Loan Conditionality include recipient governments agreeing to pursue economic and social reform programs to remove 'structural rigidities', enhance their foreign investment climate and ensure a stable macro-economic environment conducive to loan repayment (Bakker 1996; Kahler 1992). Reform programs involve privatization, tariff reduction and cutting subsidies on food, agriculture, energy and transport resulting in economic unrest and pressures on the poor. These programs make the poor nations trading place of the riches and import- oriented. Inflation of essentials are being over burdened to the masses. Sectoral Adjustment Programs (SAPs) have been applied throughout the developing world as a general prescription for a range of economic problems (Lopes 1999). By the mid-1990s over 70 debtor countries, around 30 of which are in Africa, had implemented SAPs. The livelihood of more than 4 billion people, or 80 per cent of the world's population, is directly affected by SAPs.^{vii} They have been strongly criticized for inefficiency and negative socio-economic outcomes. The World Bank got bad regards due to the failure of taking assessment of local situations.^{viii} In Africa, SAPs were considered as the causes of economic stagnation and decline of living standards. In 1983, 25 heavily indebted African countries adopted a stabilization program with IMF and World Bank. The common aims of which were to stabilize balance of payments, extinguish debt and reduce inflation. Priority given to these objectives relegated the creation and protection of jobs, guarantees for a minimum family income and the provision of basic public services to secondary importance (UNICEF in Michel 1993). Owoh (1996) summarizes the devastating social effects of SAPs in Africa:

After more than ten years of structural adjustment programming . . . living standards in Sub-Saharan Africa have fallen 2 per cent annually in the last ten years and are now lower than in 1970; unemployment has quadrupled to more than 100 million, and Africa's potential productive capacity now averages only about 30 per cent across the continent. Real wages have fallen by a third and investment is now less in real terms than during the so-called lost decade of the 1980s. Indeed, economic growth in many countries has ceased and debt has emerged as the single most important cause of Africa's present inability to develop.

Latin America and Central and Eastern Europe have also suffered the destabilizing economic and social effects of debt, loans and SAPs. In the case of Latin America, Bretton Woods policies in the 1980s induced or reinforced a severe contraction of economic activity and employment in the formal sector, particularly in the public

sector, a decline in incomes and cuts in public expenditure on food, transport and public services, notably schools and hospitals. Declining real wages, unemployment and inflation pushed more people into poverty. The poverty rate in the Latin American region increased from 26 per cent in 1980 to 31 per cent in 1989 (Morely in Barrientos 1998: 23). The same conditions emerged in Central and Eastern Europe in 1990s. Though they were regarded as the part of the developed countries during that time, following IMF reform programs they are now ranked developing nations-unemployment, poverty, and mortality rates have increased.^{ix}

Table 3.1: Poverty trends: people living on less than \$1 (PPP) per day (millions)

	1987	1993	1998
East Asia and the Pacific	415.1	431.9	2783
(excluding China)	109.2	66.0	55.6
Eastern Europe and Central Asia	1.1	18.3	24.0
Latin America and the Caribbean	63.7	70.8	78.2
Middle East and North Africa	25.0	21.5	20.9
South Asia	474.4	505.1	522.0
Sub-Saharan Africa	217.2	273.3	290.9
Total	1,196.5	U20.9	1,214.3
(excluding China)	590.6	955	992.5

Source: World Bank in UNRISD 2000: 1.

Indeed, SAPs have been associated with, if not contributed directly to, widening inequalities, both nationally and internationally. Between 1970 and 1989, countries with the richest 20 per cent of the world population increased their share of global GNP from 73.9 to 82.7 per cent, while countries with the poorest 20 per cent of world population saw their share of global GNP fall from 2.3 to 1.4 per cent. The world's 358 billionaires possess as much wealth as the poorest 45 per cent of the world's population (UNDP 1996). In 1998, 1.2 billion people lived in absolute poverty, defined as less than US\$1 per day (Table 3.1), and this was expected to have increased to 1.5 billion in 2000. The given compliance rate of impoverishing effects of SAPs and SECALs is less than complete that is showed in a WB study. Actually policy outcomes widely varied between policy areas and countries.^x In fact, implementation is a weak point for any international institution because it does not have a local presence and because SAPs have to be implemented by sovereign

governments often constrained by the balance of political power nationally. Thus, in Latin America, Chile and Argentina enthusiastically embraced neo-liberal policies and implemented them unrestrained by the usual domestic constraints since political opposition was banned, while democratic governments, such as in Brazil, either resisted these impositions or else faced significant internal opposition when trying to implement the measures (Huber 1996; Stallings 1992).

The less than spectacular record of success of IFI funding conditionality, as measured by compliance rates, has focused attention on the role of domestic politics in impeding the implementation of SAPs. According to World Bank (1997) the poor success of SAPs is due to the weakness of states' institutional capability and corruption. It may be right only in a few cases; but most of the cases are attributed the conflicts between policy structures of the external actors and political interests in many developing nations.^{xi} Bangladesh is hereby a perfect instance in low implementation rates of SAPs. Along with the corruption, misappropriations of fund, and political instability, political interests of foreign actors are the main causes of low implementation rates in the developing countries. Leftist political parties, civil society and NGOs are nearly less interested in the reform programs in Bangladesh like countries from the fears of declining of foreign loans and aids- foreign aids are regarded as one kind of income source of some people and institutions. Bangladesh is now being conscious of overseas loans following the various pressures and loosing concerns.

Aid

Official development assistance (ODA) is a key, and sometimes the only source of development finance for many countries otherwise excluded from global finance. In three-quarters of African countries aid is the only means of maintaining investment at a level to ensure even nil growth and essential imports to prevent starvation and severe political disruption.^{xii} Out of the 49 countries that the World Bank classifies as low income, in 19 of these aid comprises one fifth or more of their GNP. In some cases humanitarian aid, along with public donations, may be the only form of inward capital; in Mozambique aid represents more than 100 per cent of its GNP (World Bank 1997).

Development aid is mainly financed from national budgets and is allocated to a wide range of functions - both cash and in-kind - such as: budgetary and balance of

payments support; technical assistance support for infrastructure (e.g. civil engineering feasibility studies); institution-building (e.g. development of management skills) and institutional reform (e.g. advice on restructuring social protection, education and health); 'human resources' projects (e.g. developing, or facilitating the restructuring of, education and health provision), and emergency relief and food aid (Amin 1990; Bakker 1996). Two-thirds of ODA is channeled through bilateral negotiations and the rest are provided multilaterally (UN, WB). For meeting up the desires of the influential rich countries, the World Bank provide direct development aids. Hence, recipient countries may pay for domestic labor and suppliers costs.

Development aid is a key area affecting the global distribution and redistribution of resources. By providing a financial guarantee from donor governments and multilateral aid agencies, aid attracts foreign private capital to invest in countries which it would otherwise not consider (UNRISD 2000: 26-7). Few countries like China, Korea, Turkey, India and Brazil are mostly able to attract foreign private capital -but most of the LDCs are minimally able to attract foreign private capital. It is sharply observed that all the developing countries face the problematic distributional jobs. Since 1960s Bangladesh received a lion share of its budgetary funds from foreign aids each year; but thus foreign capital inflow is not above 10-20 percent of total investment. Of course, socio-political instability is a major barrier to investment. Besides, inequitable distribution of resources is a great concern in Bangladesh. The participation of private capital in public development projects has now been accepted by the UN, which has recently argued that private investment has been important in assisting economic recovery in certain countries and that public-private partnerships can mobilize resources for addressing a wide range of issues relating to social development (Mkandawire and Rodriguez, 2000). Bangladesh could not yet effectively introduce public-private partnerships strategy due to lack of capital, technical and policy support. Rich nations are hereby mostly beneficiaries.

Aid constitutes a transfer of public resources from rich to poor countries. In 1998, OECD development aid amounted to US\$52 billion. The EU's PHARE and TACIS development aid programs to assist restructuring in Poland, Hungary and the countries of the former Soviet Union were described as 'the biggest source of direct transfer of funds from West to East' (Deacon et al., 1997: 97). Foreign aid is a

process to enhance the global redistribution of resources for indigenous development. First, official development finance from developed to developing countries declined from US\$56.9 billion in 1990 to US\$47.9 billion in 1998; over the same period grants fell from US\$292 billion to US\$23 billion, loans from US\$15.6 billion to US\$9.7 billion and bilateral aid from US\$2.9 billion to US\$0.8 billion (Mkandawire and Rodriguez 2000). OECD countries' ODA declined by 4.6 per cent between 1991 and 1997, and in 1998 ODA as a percentage of members' GNP was about one third of the agreed target of 0.7 percent of GNP (Commitment 9, 1995; Copenhagen Social Summit). The world's richest countries' (G7) ODA levels have declined by 12 per cent (US\$5.2 billion) since the Social Summit, and ODA represent just 0.19 percent of their combined GDP (1997). Non-G7 countries were more generous - their ODA averaged 0.46 percent of their combined GDP (1997) (Mkandawire and Rodriguez 2000). The reduction of ODA has been done due to the proportion of the aid allocated to humanitarian relief-it climbed from 1.5 to 8.4 percent between 1991 and 1994.^{xiii}

Second, ODA is dwarfed in comparison with other areas of spending by the developed countries. OECD military spending amounted to more than ten times that allocated to ODA. In addition, ODA represents a tiny fraction of the amount owed by developing countries to developed ones: in 1995, the debt of developing countries and the former Soviet Union amounted to US\$2.2 trillion (UNRISD 2000). Third, a big amount of aid flows directly returned to the lenders. In the mid 1990, one quarter of bilateral aids was spent to repay foreign lenders. It is viewed that many governments were spending more on debt repayments than social welfare.

Development aid has been widely criticized as a multi-billion pound global industry guided by the commercial interests of Northern donors - hastening capitalist development in recipient countries and promoting the development of foreign markets for donor countries - and the interests of the global middle class of aid professionals involved in delivering it (Jayaraman and Kanbur 1999; Smillie 1995; Stubbs 1998). Capitalist development is in alarming conditions causing rather the complicated web of indebtedness among the poor countries like Bangladesh. The development of the markets of donor countries is done well instead of the recipient countries. Donor countries are receiving a huge portion of donors' funds return attaching conditionality with aid programs by encouraging recipient countries to

purchase technology, consultancy and services from them. Technical assistance also includes advice on social policy reforms which reflects westernization on the East.

Development loans have been sharply criticized for their ineffectiveness –because they were reached to target groups too much little. Donor agencies have the political interests and the funds are misappropriated by corrupt elites and recipient governments serve their political interests through the aids. So, foreign donors presently provide the loans through the channels of NGOs- hereby there is possibility of funds to reach the vulnerable people.^{xiv} the problem of ensuring that aid reaches designated target groups or services must, however, be seen in the context of policy design, and it is here that a competing explanation of the inefficacy of development aid - one which focuses on policy error - is relevant. Critics point out that a growing proportion of aid has been used to support policy reforms promoting market-oriented development, which either does not benefit the poorest, or worsens their situation (Jayaraman and Kanbur 1999; UNRISD 2000). About 40 percent of loans and aid funds are misappropriated due to corruption and inefficacy not only in Bangladesh but also in other poor countries. Politically backed funding, planning, implementation process, and monitoring techniques are lagging efficacy resulting in their underdevelopments. Currently the funds are allocated through certain NGOs so that efficacy may be increased. In this connection, efficacy rate is a bit high, but target groups are less gainer than the NGOs.

The implementation process has proved problematic both for donor and recipient countries. Some experts consider it as a long- term goal of donors and others think it is one kind of failure of recipient governments. Indeed, the funds don't reach the target groups for many reasons. First, governments may simply shift funds earmarked for social and health services elsewhere (in ways reminiscent of practices of certain member states regarding the use of EU structural funds). Second, they may give priority to certain services (such as primary education which is favored by donors) at the expense of other social services, or they may embark on infrastructure-building (e.g. schools) without having allocated adequate resources for teaching staff. Third, governments face political difficulties in delivering aid. The priority given to basic services for the poorest groups may be at the expense of maintaining existing services for a cross-section of the population and alienate

working and middle classes as they are expected to pay again for private provision (UNRISD 2000: 29-31).

International Labor and Human Rights

Labor standards are norms and rules that govern working conditions and industrial relation and they cover most aspects of labor markets - collective bargaining, wages, working time, health and safety, labor inspection, non-discrimination, child labor - and related institutions such as social security systems. Labor standards have developed within an international context of attempts by the labor movement to establish a body of international law on workers' and human rights in anticipation of the impact of global capitalism on working conditions (Evans 1998; Herod 1997). They can be traced to the 'free trade' vs. 'fair trade' debate, which dates back to the nineteenth-century concerns about unfair terms of trade competition arising from socially unacceptable practices. In the contemporary context, they are advocated to prevent countries from basing their comparative advantage on low labor standards (OECD 1996). Labor standards are a crucial matter in global politics. Even though labor standards are conducted under international agreements and policies, they have many controversies.^{xv} UN, ILO, and OECD presently regulate the global labor standards - they concentrate now the implementation of labor policy and review present attempts to add a social (labor) clause into international trade agreements.

The UN has approached workers' rights as fundamental human rights. The UN Charter of 1945 set out a number of general provisions regarding human rights. Article 55 stipulated that countries should aim to strive for improved living standards, full employment, respect for human rights and basic liberties for all without distinction of race, gender, language or religion. The UN Declaration of Human Rights (1948) subsequently specified that these human rights include civil, political, social, cultural and economic rights. These were further specified in two Covenants (1966). The Covenant on Civil and Political Rights specified the right to life, liberty, and freedom from torture, freedom of opinion and expression, freedom from slavery and servitude and the right to peaceful assembly and association. The Covenant on Economic, Social and Cultural Rights covered the right to: form and join trade unions; work; equal pay for equal work; education; social protection and a decent standard of living. More recently, the Covenant on the Rights of the Child (1989) contains provisions on the rights of children to special protection, healthy development and free primary education.

These codes of labor related human rights represent the universal values and central mechanism of social policy development. At the 1995 World Social Summit in Copenhagen, governments emphasized the significance of worker' basic rights aiming at eradicate poverty; gain a lot of employments, and social advancement. Though most governments verbally accept worker' rights, they are reluctant to ratify these Conventions. Thus, the OECD (1996) noted that only 62 countries, including just 15 OECD countries, have ratified all ILO Conventions relating to core labor standards, while only 123 countries had ratified UN human rights Covenants relating to workers' rights. Five countries, including China, Korea and South Africa, had not ratified any ILO Conventions relating to core workers' rights, while the US had only ratified one of them (abolition of forced labor). That governments have not ratified on the basis that they cannot be effective to their nations- India showed the same ground that they would be inappropriate to their national contexts.^{xvi} Yet even when a country has ratified a Covenant or Convention, there is no guarantee that it will be enforced. In theory, Article 33 of the ILO empowers it to take action to secure compliance by a state with the terms of a Convention which it has ratified, although the practice of the ILO is not to impose sanctions but to rely on moral suasion to encourage greater compliance (OECD 1996). In fact, there are very basic difficulties even in knowing when labor standards, even core labor standards, are being enforced because 'information on this issue is sparse and incomplete'. As the OECD notes, the 'lack of reliable indicators on enforcement is especially acute regarding child labor, forced labor and non-discrimination in employment. The many of the Third World countries have ratified the terms of Convention but labor rights had not been implemented accordingly. Bangladesh cannot follow the labor rules fully for the sake of survival matters. All sorts of the freedom and security of labors are hardly executed- the industrialists maintain the terms mostly for their own sake, little for workers. Here UN and ILO cannot impose sanctions on the term-breaching nations due to inspection and information gap. Even national government can take actions too little on the grounds of free market economy- besides politics and economy go altogether friendly, not in separate ways. Actually the history of capitalism is developed lying on the violations of labor rights.

One response to the institutional separation of labor and trade regulation and the patchy enforcement of labor standards is the insertion of a social (labor) clause into multilateral trade agreements. In theory this would make trade and market access

conditional upon governments agreeing to meet the following 'core' labor standards which already find expression in ILO conventions: freedom of association; collective bargaining; restrictions on the use of child labor; prohibition of forced labor; and non-discrimination in employment. Social clauses would be legally binding and enforceable by institutions that regulate world trade, namely the WTO. Countries, and the industries and firms operating in them, found to breach of these standards could have the social clauses of trade agreements invoked against them and their exports restricted (Sengenberger and Wilkinson 1995; Shaw 1996). An environmental clause has also been proposed along these lines. A link between International Trade Organization and ILO was established – ITO would co-operate the ILO as its additional job. This process was set up when ITO and ILO fell in their respective duties and thus national opposition raised strongly.^{xvii} Social clause (labor) have included in trade treaties responding yet to sharp opposition globally. Though there was no consent in such a inclusion of international institutions and national government, trade union and NGOs have launched strong movement worldwide, and as a result, labor standard clause have been added into trade frameworks.

The WTO repeatedly argued that free trade will automatically improve the labor standards; so there is no need to be social clause. It advocated WTO would oversee trade issues and ILO will be concerned with the labor matters. But ILO expressed grave reservations at a sanction-based labor clause- it argued the effects of economic globalization on workers.^{xviii} Opponents of a social clause have objected to it on the following grounds. First, it would enforce Western cultural values on non-Western societies. Here, as in the sphere of human rights, it is alleged that Northern governments are using the ethical claims of international society as a vehicle to assert a new global hegemony (Deacon 1999; Wilkinson and Hughes 2000). Second, a social clause would erode the comparative wage advantage enjoyed by developing countries when engaged in competition with industrialized countries. Third, a social clause would introduce a new form of protectionism by industrialized countries against developing countries. Actually social and environmental clauses are some kinds of conditionality on Southern countries.^{xix} In the face of such opposition, the debate about linking trade and labor regulation has shifted away from a punitive social clause and towards the need for a more general acceptance of, and commitment to, core labor standards and enabling workers to claim an equitable share in the benefits of free trade (Wilkinson and Hughes, 2000).

Although the focus on core labor standards indicates their universal acceptance, irrespective of cultural specificities and level of economic development, it is a far cry from any legal obligation to respect core labor standards and does not address the problem of their non-enforcement. In short, states have proved eminently capable of resisting encroachment on their autonomy on this issue. Labor standard affair is playing a vital role to the WTO due to the pressure of various regional organizations. Moreover, different trade unions of global arenas place some efforts to protect labor rights.^{xx}

Social Dimension of Globalization

There are two main concerns in the studies dealing with the social dimension of globalization and reforms. These include: (a) social base/driving social forces in terms of social classes and castes, and (b) socio-economic impact in terms of poverty, income inequality, unemployment, etc. This is analyzed at different levels, i.e., global, regional, national and state/local. Skeptics seem to dominate over the hyper globalizes in the studies dealing with these aspects in the case of India. And there is a dearth of studies on the country from a transformationalist perspective. This would be evident from the discussion below.

Social Base-Gainers and Losers

Both foreign and Indian scholars have delved on the social dimension of globalization. Some scholars have examined globalization from broad theoretical perspectives while others have focused their attention on the specific social aspects of globalization. At the macro-level, Wallerstein (2004) insists on treating the modern world system as capitalist which originated in the 16th century and has grown further passing through different phases. The system formed a hierarchy of states and at its 'core' existing strong states that supported the dominant classes who continue to exploit labor, resources and trade opportunities, most notably in the 'peripheral' countries. The countries located in the 'semi periphery' reduced polarization between the two and helped keep the system relatively stable. It is viewed that the transnational corporations and transnational classes are the striking forces of global capitalist system. Global influential institutions include transnational corporations and consumerist culture in all respective domains. Transnational corporations represent the global dominant organization and influence the decision making process.^{xxi} He affirms that a global consumerist ideology

promotes the exploitative structure commanded by TNCs and helps the dominant transnational class becoming ever stronger.

Pedersen (2000: 266) identifies two main theoretical perspectives in the debate on (policy) reforms in developing countries with a focus on national level. First, there is a debate on the relationship between state and social structures and actors and its significance for explaining reforms/social change. Second, there is a focus on the nature of developing societies and their insertion into the world economy. This relates to the reforms package of the Bank-Fund duo. But the moot issue is about the driving force for reforms, whether it is internal (state elites or social classes) or external/foreign hand (Bank-Fund-WTO trinity) or may be a combination of both, but with dominance of one or the other factor. Pedersen is in favor of adopting a state-society oriented approach, not merely statist or otherwise, for properly understanding the nature and dynamics of reforms. The state is embedded in articulated interests to its own people. When a state can take a major reform program autonomously, that can be effective sharply because of strong supports by the people.^{xxii} Moreover, reforms might get started under the pressure of foreign agencies, but 'the actual implementation and the long term effect of policies depend much more on the nature of the society in question and, in particular, on the nature and strengths of the various social forces within it.

Indian Experience

Coming to India, the 'shift from a dirigisme to a neoliberal economic strategy' that has occurred in India since 1991. As regards the external push, they refer to certain basic changes that the world capitalism has undergone with the 'emergence of a new form of international finance capital which sees the global promotion of neo-liberalism as serving its interests'. This explains the domestic social (class) support base for reforms in India. There are beneficiaries of reforms which include' the Indian capitalist class, upper class/caste, urban middle classes, the non-resident Indians (NRIs) (new diaspora), agricultural capitalists (initial support), and (top) elements within the bureaucracy/professional classes/the intelligentsia (Patnaik 1994). These portions of the society hereby advocate of the capitalist reform programs and actually that are being done almost for the sakes of funding institution i. e., MNCs.^{xxiii} Kothari (1995:159) also finds a convergence between the external and domestic interests that are involved in pushing forward the reforms agenda. No wonder the reforms have broadly had a smooth sailing in India even after the 1991

crisis, as external forces could find 'junior partners' in the domestic turf. Here, the attempt is to integrate the upper and the middle classes with the simple aim of retaining and enhancing the privileges and perquisites of these classes. Presently a pro-business policy of socio-economic development is being executed in the country – which rests on a fairly ruling alliance of economic and political elites. The similar scenario exists in Bangladesh like developing countries—most of the parliamentarians and ministers come to the state authority in Bangladesh nearly from the elite business class.

The Bombay Club representing the old group of big industrialists was initially reluctant to support economic reforms because of the fears of takeover or peripheralization by MNCs. But their stance gradually changed with increasing success both within and outside. Some Indian brands have gained global repute. For instance, Asian Paints has entered markets of developing countries. Moser Baer is a major global player in optical media and compact disc, and Ranbaxy and Dr. Reddy's Laboratories in generics (TOI 2006a). Moreover, a good number of Indian companies (TATA, Corus, and Ranbaxy) are acquiring foreign industrial firms. In the Forbes 2000 list of Corporate Titans, 33 Indian companies found place. This consists of both private and public sector Indian firms, the ratio being 49 per cent and 51 per cent respectively. These largely operate in the areas of banking, oil and gas, IT and software. The major firms in the public sector include ONGC, SBI Group, Steel Authority of India; and in the private sector, Reliance Industries, ICICI Bank, TCS, Tata Iron & Steel Company Ltd., Infosys Technologies, Bharti Televentures, Wipro, etc. (TOI 2006b). Bangladesh is not so advanced like India in establishing the transnational or big companies, but several companies are moving towards such way. Pran-RFL, Bashundhara, Beximco, Orion, Bangladesh Islami Bank, BSRM, PHP, Fakir Fashion, Sinha Textile, Walton, Monno Ceramics, and Grameen Bank are emerging and expanding group of companies that beget capitalist environment hence by dint of globalization.

Deshpande (1997) highlights the emergence of the new middle class as 'a key actor' today on the national stage in India which is 'playing a role of unprecedented importance in the public life of the nation'. It has an 'important role in promoting the paradigm shift' from state-led planned nationalist development to market-oriented structural adjustment and globalization in the country. There is change in self-understanding and social position of this class. It has acquired the position of 'an

indispensable member of the ruling bloc, the dominant segments of which are agrarian capitalists and industrial and financial bourgeoisie'. The upper middle class gets the maximum opportunity from globalization. They are being considered as ladders of development- today their representation is not only in the midst of mass people but also in state authority.^{xxiv} It is true that upper middle class avail most the advantage of globalization and they play a vital role in social building across the world. In Bangladesh, managerial professionals of garments, pharmaceuticals, NGOs, MNCs are putting important role in economic development. Palshikar (2004:153) finds an alliance between the bourgeoisie and the middle classes. The size of the middle class has increased and it has acquired a central position in the current situation. India's ruling classes require a hegemonic project in the context of globalization. The middle class can now develop the hegemonic project on behalf of the capitalist class. In exchange, the core of the middle class will gain entrance to the ruling coalition'. Not only India but also other nations are getting integrated rapidly to global authority through both the formal and informal channels. The NRIs send foreign currency for building the temples/mosques as well as expedite the culture of capitalism.

Further, it is observed that increasing stronghold of transnational agribusiness in modern agriculture is leading to continuous rise in production costs and lower net income for farmers (Jomo 2006: 10). Besides, plenty of subsidies of Western governments in agriculture cause the lowered prices of agro-products in the Third world. Merely the agro-elite class supports the neo-liberalization in agriculture.^{xxv} They see the advantages of deregulation, as in the case of Sharad Joshi of Shetkari Sangathan in Maharashtra. But another segment of rich farmers (large and medium) have expressed apprehension about issues like cut in agricultural subsidies and entry of agribusiness MNCs, and so oppose globalization as visible in Karnataka, western Uttar Pradesh, Gujarat, etc. Increase in input costs and decline in prices of primary agricultural commodities in the international market affect even the surplus producing farmers in a negative way. The farmers are split broadly into two segments, one for and the other against globalization (Omvedt 1993). Every year Bangladesh also declines the agricultural subsidies on the sake of liberalization in the farming sectors. As a result, the input costs go up day by day and the prices of outputs get the lowered prices- thus; MNCs start commercial agribusiness in Bangladesh like nations for higher profits. The marginal farming class is going to be the hand-doll of the MNCs.

The impact of globalization is regarded as being largely negative in India on the weaker and marginalized sections of society, e.g., small and marginal farmers and agricultural laborers. Globalization tends to turn agriculture more capital-intensive. There is spread of corporate controlled agriculture—control by global agribusiness and bio-technology corporations. It is geared to grow food and non-food commercial crops for the market, especially for exports. Capital-intensive export-driven agriculture has severely affected the poorer peasantry, which is reflected in frequent cases of suicides as in Andhra Pradesh and Punjab (Arvind 2002). Minimum food security has emerged as a serious problem for both the poor peasantry and agricultural laborers. Growth of tobacco production is a great trouble in Bangladesh like India which occurred by MNCs. If non-food commercial crops become most valuable to the farmers influenced by MNCs, food security may be hampered seriously in near future.

A recent issue of the *Journal of Economic and Political Weekly* (April 12, 2006) focuses on the current agrarian crisis and suicide by farmers in several states in India (Jodhka 2006, Mishra 2006, Mohankumar and Sharma 2006, Rao and Suri 2006, Sridhar 2006, Suri 2006). In Maharashtra, Kerala, and Andhra Pradesh, it is observed that withdrawal of governmental financing in agriculture, weak extension services and lack of formal credit facilities, the farming system as well as the living standard have been affected sharply. They are being dependent on informal sources for agro-inputs causing the burden of indebtedness which forces them to suicidal activities. Moreover, through liberalization in agriculture the inputs and outputs of agriculture have gone to the grasp of both national and international agro-syndicates resulting in the low price of outputs, on the other hand input prices are getting hike day by day. There is a paradox here, most of the political representatives come from agricultural background but farmers' interests still get marginalized. This is explained by the increasing differentiation/fragmentation of farming classes and lack of organized farmers' movement in the country. K.C. Suri wonders, 'Are we any more a nation? What kind of citizens are these farmers? What happened to the solemn resolve to constitute India into a socialist democratic republic and to secure for its citizens justice, liberty, equality and fraternity?' He warns, 'If nothing positive happens in Indian agriculture in the coming years and if farmers continue to be squeezed by the global and domestic markets as well as the renter classes, they will have to either abandon agriculture or rebel against governments; or else the spate of

suicide-s continues to haunt the country' (Suri 2006: 152). In Bangladesh the farmers' community is also in problematic conditions similar to India. They are not attaining inputs at a reasonable price as well as fair price of their produced items. As they are not organized, they are not able to receive the government supports. These conditions seem to be prevalence in all the developing countries.

An adverse impact of globalization on labor and their unions in the country is notice. SAP generally leads to a freeze in public sector employment. In the organized private sector also employment rarely increases due to the low level of private investment and high capital intensity. So, most of the unemployed people enter the low productivity and low paying informal sector. Moreover, the organized sector takes advantage of the surplus labor condition. It gets into contract labor, casualisation and putting out systems. Thus, they save on establishment costs and are able to offload surplus workers when demand decreases (Dasgupta 2005: 247). Public enterprises face various problems owing to labor unions in Bangladesh. However, labor organization is a must, otherwise they will be oppressed. Bangladesh also moves towards capital intensive industries resulted in creating no employment opportunity more. Due to globalization labor intensive industries are not being established at a desired rate. Casualizations of labor force and contract labor are on rose dramatically- sacking workers and decline of wages occur frequently not only in India but also in other developing countries due to the slashing policy of government social spending and subsidies.^{xxvi} Supporters of globalization argue to reform the labor laws to skip the right of employers to hire and maximize the profit; but strong opposition stopped it in India. However, closing down the industry and unemployment race cannot be protected. There are attacks on the wage rates of workers/employees, which has been static in real terms. Both the government and the private sectors have introduced schemes like the Voluntary Retirement Scheme (VRS) to throw out employees. It is common to find these days the government arbitrarily stopping payment of bonus, freezing Dearness Allowance, refusing payment of wages/ salary for months and harassing of employees to leave (Arvind 2002:213). Like India Bangladesh faces such this problem especially in garment sectors. Industry closing down, stopping payment of bonus, refusing payment of salary, harassing of employees to leave are daily phenomenon causing frequent violence in garments industries. Traditional industrial working class is getting badly hit due to processes of tertiarization, feminization, casualization and precarization.

Poverty, Inequality and Unemployment

Neo-liberalism is such a policy that works for the decline of poverty and friendly connected to globalization. It is claimed that globalization is a causal factor of poverty reduction. It is asserted that absolute poverty declined at the world level from 1237 million in 1990 to 1100 million in 2000. According to the World Bank the number of people living in absolute poverty reduced from 1.4 billion in 1980 to 1.2 billion in 1998. But critics do not accept these figures because of serious measurement faults in the estimates and underestimation. For instance, the income of \$1 a day used here to determine poverty is based on purchasing power parity (PPP) exchange rate (not US \$) which is adjusted and hence the cost of living tends to be lower in poorer countries than richer ones. The basket of goods forming PPP is not considered appropriate for measuring poverty correctly. The estimates are based on two different comparative indices which create distortions (Kiely 2005). In fact, the populous nations are being able to reduce the poverty though they are not economically open rather protectionism is their main tool to development. The Sub-Saharan Africa, Latin America, and the Caribbean which are mostly liberalizers, cannot reduce poverty-actually poverty and inequality are increasing in these regions.

As regards inequality trends, average income gap between the 20 richest countries and 31 least developed countries (LDCs) is found to have increased from 11: 1 in 1960 to 19: 1 in 1999 (based on 1985 PPP dollars and population weighted). But the gap increased less in case of those LDCs that diversified into manufacturing and services but more in case of those still most dependent on (non-oil) primary commodities (Kiely 2005:900). Income inequalities emerge in many countries as a new problem. In US, 1 percent of population incomes 60 percent of total incomes and the incomes of 25 percent of the poorest population remain static during 1980-2000. In UK, the income gap is found to be greater for last 30 years. Indeed the income of the 10 percent of the poorest population has been declined within this time.^{xxvii} Wage inequality was thus, on the rise between mid-1980s and mid-1990s in some industrialized countries. In India and Bangladesh income equality is on rise rapidly when GDP started to grow following the industrial growth. The number of millionaire is increased along with the number of poor people. Syndicalism and corruption in economic activities, unethical politics are creating these conditions. It is noted that over liberalism encourage the business person's unethical trading resulted in making gap between the sellers and consumers. Global rules and

conditionality is also responsible for socio-economic instability in the poor nations. Of course, extreme poverty has been reduced remarkably.

There is also an increase in the open unemployment in the world in the recent decade. International Labor Organization (ILO) gives the total unemployment figure as approximately 188 million (in 2003). There is a variation across regions and countries regarding unemployment trends. Industrialized countries reflect a mixed trend. There is increase in unemployment in Japan, but decline in the US and UK. However, there is an increase in the rate of unemployment within the third world since 1990 as in Latin America and Caribbean, and South-East Asia. The developing regions on the other hand generally showed increasing share of self-employment which is linked with stagnation or slow growth in modern sector employment and hence an increase in labor absorption in the informal economy (Giddens 1999). About 32 percent of people are unemployed in Bangladesh and the condition of India, Pakistan is about same. About half of the employed people are in informal works and their income is not sufficient and sustainable. Capital intensive industry and technological advancement are the responsible for unemployment. Moreover, neoliberal policies encourage the imports and development of private service sectors that are not conducive for employment generation- they are not embedded in labor intensive economic activities. Many richest countries also face the problem of unemployment with a separate variety.

Further, Pulin Nayak (2006) notes certain encouraging trends in the Indian economy in the recent years—in terms of growth rate of GDP reaching about 8 per cent, saving rate rising to about 29 per cent of the GDP in 2004-05 (compared with 23.5 per cent in 2001-02), gross domestic investment rate for the first time crossing 30 per cent mark in 2004-05, reduction in revenue deficit, and direct taxes reaching 5 per cent of the GDP for the first time (stuck at around 2.5 per cent for decades prior to the 1990s). But he also observes serious negative trends. India is faced with a wide gap in inter-sect oral growth rates (about 9 per cent in industry and services but only 2.3 per cent in agriculture in 2005-06). This implies accentuation of income inequalities in the economy at large (60 per cent of the population dependent on agriculture which has a low growth rate). There is a professional industrial class flaunting a luxurious life, which is in clear contrast with periodic reports of suicide deaths of farmers due to inability to repay relatively small debts. In Bangladesh almost everyone is trapped by credit web. Actually the farmer's

community cannot change their living standard because their real income is decreased. But the industrialist class is leading the luxurious life by the blessings of economic growth. This is the real condition of inequality not only in Bangladesh but also in other developing nations.

The recent 60th round of National Sample Survey Organization (NSSO) data reveals increase in unemployment rate both in rural and urban areas among males as well as females. Unemployment for rural males increased from 5.6 per cent in 1993-94 to 9 per cent in 2004. In case of urban males the rise in the same period was from 6.7 per cent to 8.1 per cent. The unemployment rate for women also went up. Increase in unemployment has direct impact on the incidence of poverty in the country. It is observed that though rapid economic growth is accompanied in India, inequality and capital intensity is climbing in parallel way-moreover employment in manufacturing industries is almost closed down. Bangladesh like other nations is in same conditions in employment and inequality.^{xxviii} Nayak (2006) states. The latest Economic Survey talks of demographic dividend, referring to a large and younger labor force in coming years. But there is an India where significant sections of the youth in remote villages and tribal belts have only a bleak landscape before them, and no gamut employment. And this comes along with a steady and unprecedented growth in aspirations. This combination can hardly be salutary for stable and equitable economic development. In Bangladesh the number of guised and quasi-unemployment is increasing day by day. Their living conditions are unrevealed but miserable. They cannot adjust with the jobs based on modern technology. In remote areas of Bangladesh there are still existed the traditional and informal (farm) employment.

Social reforms in India are undergoing following the pressures from both the internal and external capitalist classes. In this way core poverty is decreased a bit, but inequality rises hereby geometrically. Labor rights (labor union) get weakened as well as the lower class peasant societies are going towards more vulnerability such this global process. It is evident that all the developing countries are generating such this marginalized classes like poor peasantry, landless laborers. Bangladesh faces these conditions seriously; on the contrary, industrial classes and managerial professionals are availing most of the opportunities from globalization resulted in being millionaire and billionaire quickly. But the actual situation may not be as simple. Are there are no winners at all from the lower classes and castes,

even a small section as a result of the reforms? Are there no losers at all from the upper classes and castes? Increasing socio-economic polarization may accentuate conflict and ultimately lead, maybe to the end of reforms. But increase in internal differentiation within classes and castes would fragment the resistance against reforms and allow its forward march.

Fertility and Population Control Policy

Concern with population control can be traced back to the often eugenically inclined intellectual debates and social movements in Europe and the US in the late nineteenth and early twentieth century's. Fertility and maternity policies in Western Europe were prompted by concerns about the quantity and the quality of the population. Pro-natalist policies of various strengths were pursued in response to declining birth rates and population losses due to World War II. Maternity and/or child allowances were introduced in various forms in Sweden and Germany, where the eugenics movement was particularly strong, and in Britain, Norway, France and Italy. Concerns about mother and child welfare and the responsibilities of mothers in rearing fitter children prompted policies to improve the 'quality' of the national stock (Bock and Thane 1991) and encourage the breeding of the fit and intelligent and discourage the reproduction of the weak body and intellect. In Britain after World War II, universal family allowances, ostensibly introduced on pro-natalist grounds, were introduced on a flat-rate basis because it was believed that a sliding scale of rates, which targeted allowances at poorer parents or which increased payment rates for more children, would encourage the poor to reproduce disproportionately. To these eugenic concerns can be added imperialistic ones, and in Britain 'welfare politicians had warned of a British population decline which, compared to India's population expansion, would endanger Britain's 'status in the world', 'genius for colonization' and 'love of political freedom'.^{xxix} Population policies were therefore inextricably linked with nation-building and with states' globalizing strategies: Demographic anxiety was in part a product of intensified international competition from the late nineteenth century; it seemed that nations needed fit work-forces, fit armies and fit mothers to rear them if they were to compete effectively in an increasingly internationalized market, for imperial domination and in war (Bock and Thane 1991: 11). In the Eastern nations, there is scarcity of fit mothers, fit workforces but cheaper workforce. In the developing countries population growth rate is higher than the West. This will lead the global balance of labors by migration process.

In the 1950s and 1960s, population became established as a concern of international agencies. It was constructed from the outset as a problem of over-population, as a global problem requiring a global response. Population control was strongly supported by Western European countries, particularly Nordic countries such as Sweden; with its strong eugenic tradition, and by the US, which saw population control in developing countries as an issue of national security. The first major initiative came from a private US foundation, the Rockefeller Foundation, which established the Population Council in 1952. The same year saw the foundation of the International Planned Parenthood Foundation, one of the major actors in population control discourse over the following decades.

In the 1960s, 'population crisis' is regarded as a political phenomenon. It was firmly established in first time in the 1965 World Population Conference in Belgrade. Though this was a meeting of technical experts rather than of governmental representative, it paved the path to formulate the global population policy. When Robert McNamara announced the involvement of the World Bank in population control in 1968 he rationalized it as follows: 'The World Bank is concerned above all with economic development, and the rapid population growth is one of the greatest barriers to the economic growth and social well-being of our member states' (quoted in Koivusalo and Ollila, 1997:187). The UN held its first and second Conferences on Population respectively in Bucharest in 1974 and Mexico City in 1984. At these conferences Northern countries pressed strongly for population control policies and Southern countries resisted these decisions; but they were back footed for their aid dependency. Many agreed to implement population control policies as a condition of receiving structural adjustment loans. Perhaps an honest expression of the interests behind population control can be found in the US National Security Memorandum on international population policy (1974), which, according to Koivusalo and Ollila, feared adverse socio-economic conditions generated by population factors could contribute to increasing levels of child abandonment, juvenile delinquency, unemployment, petty thievery, organized brigand, food riots, separatist movements, communal massacres, revolutionary actions and counter-revolutionary reprisals. The Memorandum pointed out that such conditions would also detract from the environment needed to attract foreign capital. It also feared that rapid population growth could endanger the world's mineral supplies, which increasingly come from the developing countries (1997: 191).

The attention shifted from hunger crisis to environmental crisis due to population growth during the 1980s and 1990s. That's why; population control became a great global issue.^{xxx} It is no accident that the major source of funding for the reduction of population growth in developing countries has been the North, particularly the US. The largest private foundations involved were the Rockefeller Foundation, the MacArthur Foundation, the Population Council, the Hewlett Foundation, the Ford Foundation and the Mellon Foundation, all based in the US.^{xxxi} The population programs of the UN and WB, the emerging global consensus in the field of demography, and the activism of INGOs, has led to the global diffusion of population policies: by 1993 some 123 developing countries had adopted population control policies (Barret and Ong Tsui 1999: 215). The population program was launched in late 70s of the last millennium with the comprehensive aid of INGOs and played a vital role in birth control in Bangladesh. All the contraceptive materials were then free but now they are to be purchased at one's own cost as population aid is presently too much little across the world. So population control program is now weaker than that of the time. It is mentioned that the program has been turned into trouble in the West because of low population. However, the population control program is running worldwide including Bangladesh with different pattern.

Population control measures have been criticized as internationally sponsored programs of human rights abuses. Women in developing countries are the targets of this global social policy, the objects of 'quick fix' solutions, advanced through monetary means, such as cash incentives to accept 'high-tech', dangerous contraceptives, or technical means such as forced sterilizations (Bandarage 1997: 66). These are actually sex-related abortions which are patronized by medical and intellectual elite. It is argued that this will benefit the women by reducing their supply and increasing their status and values.

Alongside these crude and dangerous methods, methods intended to 'empower' women to voluntarily control their own fertility have emerged in response to growing global opposition to population control policies. Recently there have been attempts by the population control lobby to co-opt green and feminist concerns - or at least their language. In relation to the latter, Koivusalo and Ollila (1997) note that core feminist demands, such as women's empowerment or control of their reproductive capacities, were accepted by fundamentalists of all religions, right-to-

life organizations and population control agencies at the most recent UN population conference, the International Conference on Population and Development in Cairo (1994). While some have claimed this represents a major step forward, critics - doubting the commitment of international institutions to these principles as anything but a tactical appropriation of a new vocabulary - have claimed that gender equality has become the social tool by which the UN seeks to ensure that its goal of population control is achieved.

Cultural Affairs

In a broad sense culture refers to the values, beliefs and lifestyles of people. Fast changes are observed at this level as a result of increasing globalization and reforms in the third world countries in recent decades. There are widely divergent views on the cultural dimension of globalization and reforms. Theoretical frameworks are not clearly stated in most studies in this area. However, three major paradigms of cultural change under globalization seem to emerge. The paradigm of cultural 'homogenization' reflects basically the neoliberal hyper globalist view which homogenizes the cultural transformation with a harmonious acceptance. But from the neo-Marxist view it is seen a cultural imperialism. Then there are the heterogeneity and hybridization paradigms. Increasing cultural heterogeneity is said to provide more cultural choices to people and individuals and might be said to imply a neoliberal persuasion in the cultural domain. Hybridization paradigm can be said to be embedded in the transformation list perspective. The paradigm of cultural conflict spreads the different shape of current cultural changes.

General Scenario of Current Cultural Trends

In fact, Pieterse (1996) identifies three clashing notions of cultural change in the era of globalization, which includes cultural homogenization, clash, and heterogeneity/hybridization paradigms. The homogenization paradigm focuses on the current phenomenon of increasing global interdependence and interconnectedness leading to growing cultural standardization, uniformisation, convergence and compression into a single global culture (such as an European or a US culture). The increasing homogeneity of world values in market places and social life and the popular western culture such as Coca-Cola, blue jeans, rock music, etc. are getting spread worldwide. So, homogenization of lifestyles is reflected in westernization.

Berger (2002) observes an emerging global culture which, in origin and content, is mostly of Western and American provenance. Emerging global culture is penetrating the rest of the world through diffusion at both elite and popular levels. He talks about two types of elite vehicles of diffusion. First, Davos culture is signified by politico-business leaders who are being participants in different global summits- they are socialized and diffuse them in their own countries. Moreover, western culture is being injected into the developing countries by those who are closely connected to western countries - academician, intellectuals, NGO personnel, and governmental agencies are diffusing the culture of the West. They markets worldwide of products made in the West and spread western ideas such as human rights, feminism, environmentalism. In addition, Mc culture is included in popular level by digital media such as TV, internet, mobile phone. In the developing countries including Bangladesh lifestyle is changing into western pattern through digital Medias. Today's culture has been turned into a kind of business products which are being exported from rich nations to underdeveloped. As a result, religious heritage of culture is now eroded by external culture.

According to Tomlinson (1991), such cultural merging represents a form of neo-imperialism that will destroy cultural variety. In this sense cultural globalization poses a threat to nation states. The main concern is that the existing cultural variation at national, regional and local levels would get reduced and subsumed by global culture. There is a growing influence of global media through television, internet, etc. in the shaping of the culture of the new generation all over. The role of institutions like family and nation in shaping the values, attitude and behavioral pattern is declining fast. Programming of the global media is largely dominated by the US. It is feared that European/US culture will erode and displace other cultures. This cultural homogenization/imperialism has attracted varied responses from other cultures, ranging from one extreme to another, i.e., complete acceptance to complete rejection. The culture of the yuppie Internationale, for instance, reflects passive acceptance of cultural Westernization/ Americanization. Family values, behavioral pattern are declining fast in Bangladesh with others. Rape, murder, kidnapping, trafficking of drugs, women and children, terrorism, breaking down of family, etc. are in a great rise. The elderly people, children and handicapped people are also vulnerable conditions.

Cultural Clash

It is viewed that militancy rejection of the cultural imperialism is emphasized in present time-it doesn't mean the cultural clash or identity ascertain paradigm. It expresses the scenario of cultural globalization for its negativity. It is observed that market oriented globalization makes a great threat for local and national cultures. The result is the increasing assertion of cultural identities to defend against the onslaught of globalization. Barber opines that the American-inspired homogenizing popular culture of the MacWorld overwhelms other cultures that lose the capacity to govern themselves and hence evokes a defense of indigenous national or religious traditions around the world, giving rise to a variety of movements he labels as 'Jihad' (Lechner and Boli 2004). There is rising the trends of cultural clash, terrorism, imperialism, and dominance of a consumer- oriented society leading to erosion of spiritual values.^{xxxii} There are also less totalistic forms of rejection of cultural onslaughts as typically practiced by certain governments. In China, for instance, the government is engaged in balancing global economic participation with resistance against global culture (Berger 2002). Cultural imperialism generates violence globally-when western culture is imposed over Muslim nations, the violence is occurred for the sake of their own culture. Then this is called Muslim militancy-actually it may be regarded as defensive action against the cultural imperialism.

Huntington (1997) talks of clash of civilizations. He considers culture as a dominant source of potential clash among eight major civilizations in the world today, which include Western, Islamic, Confucian, Japanese, Hindu, Slavic-orthodox, Latin American, and African. Cultural conflicts, he avers, would happen due to irresolvable differences based on important social principles like equality, individuality and human rights. Mobilizations of cultural groups in the clash would occur at the level of a single nation or as multiple nations (such as Western civilization). The ultimate clash would be between the West vs. the Rest because of their basic differences in value frameworks. Moreover, he does not consider the defense of distinct cultural values as being merely reactive. Rather, the world is now divided into several civilizations with often irreconcilable worldviews and hence the clash. Maybe this could ultimately lead to the reduction of the Western influence. It is evident that Afghanistan and Iraq wars are the consequence of Huntington's prediction of Clash of Civilization. Arab Spring is no other thing than Clash Civilization.

Cultural Hybridization

The heterogeneity and hybridization paradigms are different from the others. Heterogeneity signifies mixing of culture across the borders. Increasing heterogeneity might imply expansion in cultural options/choices for people. Hybridization, on the other hand, emphasizes on the process of Trans local cultural mixing. It can be regarded as a specific type of cultural heterogeneity. It signifies cultural borrowing and is known by aliases like syncretisation, realization, metissage, cross-over, etc. It involves deliberate efforts to synthesize foreign and native cultural traits. It represents postmodern sensibility which involves 'cut "n" mix' transgression. It privileges border crossing. It subverts nationalism, racialism and identity politics (modernity embodies an ethos of order and clear demarcation of boundaries). The culture of the new Diaspora is its excellent example.

Glocalization is another term which means a particular type of cultural heterogeneity, that explain the internal globalization or global and the local intertwine.^{xxxiii} In this interaction, the global (element) can be the same across countries, but its relation to the local may vary significantly in different settings (Mazlish 2005). Also, localization denotes the local modification of global culture. There is observed the phenomenon of 'world products' adapting to local cultures and markets, for instance, McDonald adapting to local tastes in different parts of the world. In Asian countries housewives and children are found relaxing in McDonald's and the management has to adapt to its economic consequences. This is called looking in both directions. The phenomenon of 'revitalization' of indigenous cultural forms is also noticed as in the opening of fast food outlets for traditional foods in several countries like India and Japan (Berger 2002). Fast food outlets are noticed even in all upzilla towns in Bangladesh. The youths of upper and middle classes are enjoying the foods as a fashion. This is the symbol of social status in the developing countries. This causes the losses of money and health eroding the own culture, except some positivity.

Cosmopolitanism, which also indicates heterogeneity in some sense, is considered an important attribute of globalization. It refers to the 'stance of openness toward divergent cultural experiences' (Hannerz 1990, cited in Roudometof 2005:114). Cosmopolitanisation means internal globalization, globalization from within the national societies.^{xxxiv} It implies pluralisation of social borders and 'life-world' of individuals living within the same state. People from within the same state can

inhabit markedly different life-worlds and be closer to or farther from people who live outside the borders of the state they live in. Globalisation leads to cosmopolitanism of both the thick type (rooted or situational) and thin type (transcending the boundaries of one's culture or locale) Roudometof (2005:128-29) conceptualizes cosmopolitan and local as forming a continuum not as polar opposites. People may bear complicated attitudes in these spheres-some people can be in favor of local culture but oppose economic protectionism. Cultural and economic protectionism doesn't exist in Bangladesh; rather openness is prevalence. Though this policy is beneficial to several sectors but there is harmful to others. In India there is bit protectionism in all respective sectors.

It is observed that day by day a one type of social bondage gets intensified across borders through digital technology and that may be called 'digital bond'. For instance, the whole world goes under the internet connection and an e-mail makes a man neibougher and closes to other. 'We must recognize that our interests and identities have become more and more a matter of larger levels than the traditional local.' A globalization of existing cultures seems to be occurring. There is also emerging a global culture of sorts. But this does not mean cultural uniformisation. 'As we move further into a global epoch, fostered by science and technology, we can expect moves toward more diversity of cultural behaviors—the local—and asymptotic approximations of a global culture' (Mazlish 2005). Face book, Twitter, Blogging, TV, cell phone are getting popularity worldwide creating unified global culture. The youth community is getting socially connected but along with this, they are gathering negative values from these Medias. Sexism, hyper romanticism, lesbianism are taken places across the world.

Berger (2002) talks of 'alternative globalizations' which denotes the process of emissions to the West, i.e., impacting the impacter. This refers to cultural movements with a global outreach originating outside the Western world. There is noted rise of a 'new age culture' which signifies cultural influence of Asia on the West. This culture is unorganized and diffused and has influenced millions of people in Europe and the US. This also involves change in beliefs (e g belief in karma, reincarnation and mystical connection with almighty) and behavior (like adopting meditation and yoga) and use of alternative medical traditions. This is conceptualized as 'Easternisation' by Colin Campbell. This is of both religious and secular types. From India, for example, the Hare Krishna movement and from

Bangladesh Sai Baba movement have originated, the latter having more than 2000 centers in 137 countries. There is another type of globalization that is called subglobalization. For instance, certain former socialist countries are being Europeanized by German influence and similarly Taiwan is mostly influenced by Japanese culture. Moreover, Venezuela and Mexican media impacts the other Latin American countries.^{xxxv} Here it may be added that alternative globalizations are regarded as cultural balance as per the Western domination and many Christian people convert into Islam every year influenced by Easternization.

Further, it is opined that the emergence of a global culture of Euro-US combination might not necessarily lead to the death of other cultures. It is quite common for people to live within the same nation and follow different cultural rules of family, religion, ethnic group and nation. So it is technically possible for people to live comfortably in a global (business) culture and a differing national culture (Parker 2005: 219). But the global culture is developing rapidly, and for this reason, many people, the process of transition to a new culture, may be painful. For instance, Bangladeshi people hardly adapt the global culture causing the negative lifestyle, crimes, value erosion.

Griffin (2004: 262) takes note of the argument that globalization has strong homogenizing influences that weaken and destroy existing cultures, and move towards a world culture under US hegemony. The American way of life, or more likely a pale imitation of it, will become the world's way of life'. However, he thinks that the emergence of a single 'world culture' is highly unlikely. Instead globalization is probably to trigger to new combinations, new options and new cultures that would gain the support for the idea of global citizenship. But it wouldn't place any threat to the existing local or national identity. But it is true that globalization affects us all and we should be aware on how the effects are managed.^{xxxvi}

Media and Culture

It is observed that the media sector particularly is undergoing rapid transformation. New technology-driven mass media is playing an important role in promoting cultural globalization and associated reforms in recent time. The prominent ones include both the electronic and the print media. The discussion here concerns television, newspapers and Information and Communication technology (ICT)

which deals with news, entertainment and information. There are highly contrasting perspectives on the issue of media and culture today as in case of globalization and culture in general as indicated already.

One view is that the mass media forms the driving force of cultural homogenization/Americanization/Westernization and of hegemony/domination over the third world. Euro-American companies are controlling the global media and impose their images and advertisement by which they are able to enhance profits. Trans-national media companies are presently spreading their network worldwide for the intensification of commercialization. A handful TNCs has already controlled the monopoly media business. Moreover, the rapid integration of global telecommunication systems has strengthened the symbolic and psychological means of control of the neo-colonial powers in pushing mainly the American culture with the ideologies of consumption, instant gratification, self-absorption and global capitalism. There is increasing commercialization of the media which focus on sex and violence-based entertainment. Pressure is exerted by media TNCs to open up the third world's domestic media sector (both electronic and print) for foreign participation. The government of India-has, for instance, made policy changes to allow entry of TNCs in the electronic media (TV) (Mukherjee 2003). The opening up of the print media seems to be next in line, though, at present, there is stiff resistance to it. Electronic media is a driving force of cultural globalism all over. The culture of developing countries is rapidly changed by media dominated by TNCs. Sex and violence-based media culture is eroding morality and good source of business capitalism in third world countries. Now days the best business is based on electronic goods such as mobile phone, television set, computer machine, iPhone, etc.

Today internet or website cuts across all boundaries. Life in the cyber world is quite vibrant with online group (yahoo groups, msn groups) and internet (social networks) communities like Face book, LinkedIn, Fraudster, Orkut, OkStupid, etc. Besides, internet is being used for advertisement and sales, and on the other hand, political movements and democratic activities get popularity through cyber world. Internet is considered inherently democratic and dialogical. However, according to critics, transnational democracy lacks an egalitarian public sphere for mass participation in a shared political culture. There is no unified public sphere based in a common culture or identity (Crossley and Roberts 2004). It is positive that democratic culture is shared on social media but excessive romanticism, sexism,

worthless time killing on social nets are the main negative aspects of these. Social media may be used broadly as the platform of movement against corruption and injustice globally.

People's exposure to media is increasing all over. Uniformisation is increasing as more and more people now, particularly the new generation, watch the same television programs and films, listen to the same music and read the same books. The media is generally said to shape the way most of us live our lives—affecting the way we think, act and dream. But a close view reveals that the media is experienced differently across the world (Steven 2005). In countries like US there is 'super-saturation' of media where it is said to have profoundly altered the American psyche. On the other side, half the population of the world has never made even a single phone call, illiteracy is rampant and there is rigid state control of news and entertainment. Though in the poorer and remoter parts media saturation may be less but 'the influence can still be considerable'. The media today have been devices of ideas and meanings and work as the sources of powerful forces of capitalism- they are the socio-economic and political power across the world.^{xxxvii}

Ahmad (2004) notes the high intensity of invasion of the household by the global electronic media, particularly television. This is changing 'not only thought processes but also the lived value systems, consumption patterns, and even the very nature of such human desires as love and sexuality'. Watching TV operates as 'a study circle for acquisition of certain sorts of ideology and cultural taste'. Digitized culture has a wider impact on both the rich and poor families in rural as well as urban areas in Bangladesh and similar developing countries. The poor families are fond of the electronic media as passive and fantasizing consumers-there is getting integrated the popular culture of Bangladesh into dominant Western media-that is being politically and aesthetically. Actually these are not the results of imposition, but spontaneous matters.^{xxxviii} Several newspapers in Bangladesh provide a particular transformation in becoming advertisement-driven (semi-pornographic broadsheet) and which specializes in trivia

End Notes

ⁱ See Leys, (1994: 34). The 'last decade' of the 1980s saw the apparent death of such optimism. By the beginning of the 1990s, most people in sub-Saharan Africa were poorer than they had been thirty

years before. Of the population of about 500 million, nearly 300 million are living in absolute poverty.

ⁱⁱ Clearly, then, 'development' has in some sense failed. Growth rates for many parts of the Third World — parts of East Asia and Latin America were notable exceptions — rarely reached the projected figures outlined at the start of the development decades, and in many cases fell in per capita terms in the 1980s (Marfleet and Kiely 1997).

ⁱⁱⁱ Redistribution with growth also paid attention to developing the productive potential of the masses of people in the towns who were not in formal employment. The ILO in particular placed much emphasis on developing appropriate labor-intensive technologies, which would both enhance labor productivity and ensure some 'trickle down' of wealth as more people were employed (Kitching 1982: 70-84).

^{iv} See Marfleet and Kiely, (1997).

^v Cf. Cowen and Shenton, (1996).

^{vi} See Bakker, (1996). For details, the World Bank is usually classified as a development institution because of its mission to promote economic and social development in developing countries, but it also plays an important role as financial institution. Along with its 'sister' institutions, the International Finance Corporation (1956) and the International Development Association (1960), it provides credit and loans (Structural Adjustment Loans (SALs) and Sectoral Adjustment Loans (SECALs)) to finance projects and programs which promise to increase economic productivity and inward private investment but for which no private finance can be found.

^{vii} See Chossudovsky, (1997).

^{viii} As instruments for aiding economic recovery, their track record is disastrous. They have been severely criticized for their inefficacy in achieving positive socio-economic outcomes as well as for their overtly negative socio-economic effects; donors have criticized the World Bank for its failure to take account of local conditions and the social effects of SAPs reforms (Lopes 1999).

^{ix} A similar pattern of impoverishment occurred in Central and Eastern Europe during the 1990s. Until then, Eastern Europe and the Soviet Union were regarded as part of the 'developed' North, with citizens enjoying levels of consumption, education and health broadly comparable with countries in the OECD. Following IMF reforms, levels of unemployment, poverty and mortality rates have increased and many of the countries are now categorized by the World Bank and OECD as developing countries (Chossudovsky 1997; Townsend and Donkor 1996).

^x A World Bank study into the implementation of SALs and SECALs in 15 countries showed that the full compliance rate was just 60 per cent, or 80 per cent as measured by 'substantial' compliance, and the degree of policy reform varied widely between countries and between policy areas (Kahler 1992: 97).

^{xi} See Kahler, (1992). The World Bank (1997) has bemoaned states' lack of institutional capability and outright corruption, while Kahler (1992) attributed poor implementation to 'the existence of powerful sources of conflict between the policy structures of the external actors and the political interests of many developing country governments.

^{xii} See Amin, (1990).

^{xiii} See UNRISD, (2000:28).

^{xiv} Development aid funds, like loans, have been criticized for being less than effective at reaching target groups. One explanation of the inefficacy of development aid, supported by the World Bank, focuses on the implementation phase and the political interests of actors delivering aid: funds tend to flow from government to government, swelling inefficient public sectors; they are misappropriated by corrupt elites (public and private) and/or appropriated by recipient country governments to serve their domestic political interests (Qayaraman and Kanbur 1999; UNRISD 2000).

^{xv} See Sengenberger and Wilkinson, (1995:116).

^{xvi} Governments have not ratified Conventions on the grounds that they would be ineffective - a number of countries opposed the ratification of the Convention on the minimum age for child labor on the grounds that it would not safeguard against child labor exploitation. Governments may reject them in principle, as India has done, arguing that they are influenced by Western concepts inappropriate to their national contexts (OECD, 1996b: 35).

^{xvii} Cf. Evans, (1998); Wilkinson and Hughes, (2000).

^{xviii} The WTO has insisted that there is no need for a social clause because free trade will 'naturally' improve labor standards. Although it supported a global commitment to core labor standards and pledged to continue collaboration with the ILO on the issue, it reaffirmed that the WTO should be concerned only with trade and that the ILO should concentrate on labor and with mitigating the social effects of WTO legislation. The ILO, which has argued for greater consideration to be given to the effects of economic globalization on workers, It has also been concerned about a perceived encroachment on its principles and procedures by another organization (Wilkinson and Hughes 2000).

^{xix} See Shiva, (1995:5).

^{xx} However, Wilkinson and Hughes (2000: 271-2) predict the return of the labor standards issue to the WTO via pressure from regional bodies which are playing an increasingly important role in the WTO and which trade unions are directing their efforts towards in order to develop more effective mechanisms to regulate and enforce labor standards. Many of these regional groupings have developed, or are developing; some kind of social dimension (e.g. NAFTA, the EU, APEC, SADC and Mercosur) so might be expected to press the WTO on workers' rights globally.

^{xxi} The historical view of capitalism is complemented by Sklair (2004) who emphasizes on the role of transnational corporations (TNCs) and transnational classes in the contemporary capitalist global system. According to him, the driving forces and dominant institutions of globalization include the transnational corporation, transnational capitalist class and the culture-ideology of consumerism in the economic, political' and cultural domains respectively.

^{xxii} Cf. Pedersen, (2000: 278).

^{xxiii} See Patnaik et al. (2004 :95).

^{xxiv} Deshpande finds upper middle class (managerial professional) segment acquiring the maximum benefits of globalization. This segment consolidated its position on the basis of the (previous) developmental state. It is today interpellated by globalization and is now ready to kick the developmental state away as the ladder it no more requires. It has 'graduated to thinking of itself as a "portrait" of the nation'. The middle class no more claims merely to represent the people, but rather thinks that 'it is itself the nation' (Deshpande 1997:310).

^{xxv} See Panini, (1997).

^{xxvi} No wonder, most studies on SAP with its attendant policy of sacking workers and reduction of wages, find rise in poverty, unemployment, decline in wages and in access to health and education as a result of government slashing social spending and subsidies. In India, in recent years, a hardening of attitude towards labor by the government, including the judiciary, is observed. There is increase in casualisation of labor force, and contract labor is on the rise. There is decline in the employment in the organized sector. Moreover, the number of knowledge professionals in the growing Indian IT sector is very small (Debroy and Kaushik 2005: 131-34, 239, 240, 294, 316).

^{xxvii} See Giddens, (1999):106-7). For details, income inequalities also exacerbated within countries. For instance, in the US 60 per cent of income gains during 1980-90 went to the top 1 per cent of the population, but real income of the poorest 25 per cent of the population remained static for the last 30 years. In UK the gap between the highest and lowest-paid workers is found to be greater now than it was for the last 30 years. Moreover, the real income of the poorest 10 per cent of the working population showed a decline.

^{xxviii} Kohli (2006: 1368) observes that higher economic growth rate in India in the recent decade is accompanied by increasing inequalities, growing capital intensity of the economy, increasing concentration of ownership of private industry and nearly stagnant growth in employment, particularly, in manufacturing industries.

^{xxix} Cf. Bock and Thane, (1991: 12).

^{xxx} During the 1980s and 1990s, attention shifted from the hunger 'crisis' to the environmental 'crisis'. Population growth was held responsible for desertification, runaway urbanization, and the depletion of the earth's resources, while population control became a panacea for global economic and environmental problems (Koivusalo and Ollila 1997:192).

^{xxxi} See Koivusalo and Ollila, (1997).

Chapter Four

Globalization: Impact on Bangladesh

Globalization has become an inevitable phenomenon. People across the world are living within this process. So Bangladesh cannot go beyond it. There is a great impact of globalization on both the developed and developing countries. But there is a vast difference in terms of influence between these two types of nations. At the very beginning stage, the western nations and TNCs initiate the process for their own and global interests and they were beneficiaries more and it continues still. Here the poor nations gain advantages less than that of their loss. Globalization has huge impacts on the aspects of socio-economic and political spheres. This chapter analyses the influences of globalization on the social-political, economic and environmental sectors in Bangladesh. State authority loses its normal capability and sovereignty in the age of globalization. The North and TNCs play a vital role in policy making process and its execution. Even the social policy cannot be formulated without the touch of external agencies. State economy is going to almost be merged with global process.

Economy in Globalization

Globalization is a process that emerges mainly on the basis of economic aspects. At the very beginning stage, it started on the spheres of finance and trade related phenomenon and currently scatters in rounding up the whole human life. In this section, it will be examined what the impacts of globalization are on Bangladesh economy.

Trade Liberalization

The Uruguay Round of Multilateral Trade Negotiations which was started in September 1986 in Punta del Este, Uruguay and concluded in April 1994 in Marrakesh, Morocco, resulted in the adoption of what has been most aptly described as the most ambitious and comprehensive trade agreement in history. The agreement led to the establishment of the World Trade Organization (WTO) which came into force on January 1, 1995, effectively replacing the General Agreement on Tariffs and Trade (GATT).

WTO agreement clarifies and strengthens rules with respect to a number of trade policy instruments - in particular in safeguards, anti-dumping, subsidies and countervailing measures, and dispute settlement mechanism. It was believed that the detailed elaboration of rules and tightening of multilateral disciplines in these four areas will encourage the poor and weaker nations to effectively participate in, and derive benefits from, the new world trading arrangement. The purpose of this section is to make a qualitative assessment of the impact of the new rules and disciplines on the developed and developing countries with particular reference to Bangladesh (Dhaka Chamber of Commerce and Industries 2002a).

Uruguay Round and Market Access:

The new market access measures of the Uruguay Round within the framework of the new World Trade Organization (WTO) relate not only to trade in goods but also to trade in services. Furthermore, they include, in addition to tariff reductions, the phasing out of the Multi-Fiber Arrangement (MFA) and the integration of agriculture in the multilateral trading framework. More extensive rules have also been set down concerning non-tariff measures. Among the measures agreed to in the Uruguay Round to increase market access and make it more secure in the years to come are:

- Developed countries have agreed to reduce their tariffs on industrial goods from an average of 6.30% to 3.80%, a 40% reduction.
- The proportion of industrial products which enter the developed country markets under Most Favored Nation (MFN) with zero duties will be more than double, from 20% to 40%. At the higher end of the tariff structure, the proportion of imports into developed countries from all sources that encounter tariffs above 15% will decline from 7% to 5% and from 9% to 5% for imports from developing countries.
- The percentage of bound tariff lines for industrial products has risen from 78% to 99% for developed countries, from 21% to 73 % for developing countries and from 73% to 98% for transition economies.
- Minimum market access commitments on agricultural products subject to ratification will create market opportunities for several product groups of interest to developing countries.
- While the overall level of protection of agricultural products in most developed countries will remain well above the level of protection of industrial products at the end of the Uruguay Round implementation period,

agricultural trade has been put squarely on the path of liberalization. The level of security for trade in agricultural products will be greater than for trade in industrial products, since virtually 100% of agricultural product tariff lines will be bound, compared to 83% of industrial product (Dhaka Chamber of Commerce and Industries 2002b).

Bangladesh targeted the external sector for reforms in the mid-1980s to transform the productive structure outward-oriented. The objective was to foster export, which in its turn would pave way to higher and sustained economic growth. This strategy of export promotion was essentially tallied by a process of import liberalization, as any export derive in a developing country like Bangladesh cannot be successful keeping import side blocked thus forbidding competition and scope of improvement of local products.ⁱ Articulating the future development vision, the Fifth Five Years Plan (FFYP) declares: "The strategy, thus, intends to turn derives for export-led growth into an economic movement." Actually such a vision has been developed due to a host of factors including political change, change in development philosophy, rapid globalization and emerging market opportunities that led to a change in perspective from which the export sectors' role was defined. The defined role of export could greatly be influenced by the incentives and promotional measures provided in the export policies managed and operated at the practical level. Bangladesh now offers a set of export incentives that includes: (I) assistance to gross value added or returns to primary factors: (ii) assistance to inputs or intermediates, and (iii) assistance to output (Rashid and Rahman 1998a: p. 213). With these incentives and other promotional measures, the FFYP envisages a 10.5 percent annual growth rate of export over the planned period.

Excepting these promotional measures Bangladesh has undertaken a wide range of trade liberalization measures over a period of time. These measures could be evaluated by applying three methods of measurements. These are as follows:

- (i) Removal of Quantitative Restrictions (QRs)
- (ii) Changes in Nominal Protection Rates (NPR)
- (iii) Changes in Average Tariff on Import (ATI)

The trend of average tariff in imports could partially explain the cause for the reduction of NPR for various sectors, particularly for primary commodities, intermediate inputs and capital goods. According to the estimates of Sattar (1995),

pronounced difference in terms of tariff reduction could be discerned during the last three national budgets. Between 1994 and 1995, unweighted tariffs rates were relaxed sharply. These cuts were also applicable for the weighted tariff rates where reductions in rates applied to consumer goods (33.6 percent vs. 25 percent respectively), capital goods (16.1 percent vs. 11.3 percent) and primary commodities (25.3 percent vs. 22.7 percent) as has been shown. The reductions in customs duties and total duties continued to decline in 1995-96 as could be seen from the same table.

Bangladesh has gone further ahead in implementing a liberal import regime. This could be understood from the facts that the number of tariff rates has been brought down to 7 in financial years (FY) 1998, including the zero duty rates. The highest tariff rate has by this time has come down to 42.5 percent in FY 1998 from 350 percent in FY 1992. The unweighted average tariff rate has sharply declined to around 23 percent in FY in 1998 (Rashid and Rahman, 1998b, p.209).

The results of these trade policies i.e., export promotion incentives and import liberalization measures have gone to the expected line – exports of Bangladesh are increased less than imports. As regards to growth of trade, the trend might look satisfactory but an analytical view on trade seems to draw some uncomfortable observations.

Reduction of Tariff

The process of reducing import tariff rate in Bangladesh started since FY 1991-92 and is still continuing in FY 2011-12 in order to facilitate the indigenous industries and make it consistent with the world-wide tariff rate. The unweighted average import tariff rate in FY 1991-92 was 57.22% which has been reduced to 14.83% in FY 2011-12. At present, ad-valorem duties are being imposed on 99.50% tariff line. Specific duty is in existence at different rates on some products such as sugar, cement clinker, bitumen, gold, steel products-scraped ship against only 25 tariff lines. Value added tax, regulatory duty, supplementary duty, advance income tax and advanced trade VAT are imposed on importable goods in addition to customs duty. The slab of supplementary duty was 20 percent, 30 percent, 45 percent, 60 percent, 100 percent, 250 percent, 350 percent and 500 percent in FY 2011-12. Advanced trade VAT has been increased to 4 percent from 3 percent. In addition, 5 percent regulatory duty has been imposed on the products, which should be

included at 25percent custom duty slab during this fiscal year as it was in 2010-11). The MFN unweighted import average is shown in the table 4.1below:

Table 4.1: MFN Unweighted Import Average

Fiscal Year	2002- 03	2003- 04	2004- 05	2005- 06	2006- 07	2007- 08	2008- 09	2009- 10	2010- 11	2011- 12
MFN un-weighted average	19.88	18.85	16.53	16.39	14.87	17.26	15.12	14.97	14.85	14.83

Source: National Board of Revenue (NBR) (2012)

Negative Growth in Bangladesh Exports

In the face of worst-ever export performance the government has slashed export target by US\$ 1220 million to US\$5950 million from the initially planned US\$7170 million. **Year -wise export earnings in million US\$ are appended below:**

1991-1717.55
1992-1993.92
1993-2382.89
1994-2533.90
1995-3472.56
1996-3882.42
1997-4418.28
1998-5161.20
1999-5312.86
2000-5752.20
2001-6467.30
2002-5950.00

Source: Bangladesh Export Promotion Bureau (BEPB)-2002

Bangladesh Imports

It has revealed from the Bangladesh Bank Annual Report 2002 that the country had opened import L/C for US\$ 8.57 billion. Although in terms of US Dollars this was about 4.04% less than the previous FY, but in terms of taka values this was 2.13%

higher than the previous FY. On the other hand up to June 30, 2002 import L/C for Tk. 182.04 billion remained unsettled. Bangladesh official imports from India has increased from US\$170 million in 1991 to US\$ 1.30 billion today, while Bangladesh's export to India has increased from US\$10 million in 1991 to US\$ 80 million to-day. During the first month of the current FY-July 2002 import activities of the country has drastically decreased by more than 17 percent. During the month L/C was opened for only US\$ 640 million and on the other hand up to July 2002 L/C remained unsettled for about US\$ 3.12 billion. The statistics shows the reduction of tariffs influences on Bangladesh export and import trade negatively. Imports have been increased more compared to exports during those times. It is analyzed that structurally stronger markets are capable more to gain trade advantages from globalization.

Internationalization of Finance in Bangladesh:

In the 1980s, many states modified the system of regulating their financial markets, including both banks and securities markets. At one level, this was part of an ideological backlash against government interventionism in general. There had already developed in the 1970s - on the Left as well as the Right - a widespread perception that the welfare state and Keynesian demand management had reached a plateau of effectiveness and were leading to a vicious circle of stagnation and inflation (called 'stagflation'). But at another level, pressures from more complex and volatile international capital flows - which were already growing in the late 1950s and 1960s but which mushroomed after 1971 - have made insulating national economies at both macroeconomic and microeconomic levels increasingly impossible.ⁱⁱ Within the financial arena, the most abstract financial markets - involving the pure trading of complex financial instruments such as derivatives - have increasingly taken the lead in forcing structural change. Tensions are also growing between financial globalization and the requirements of production and trade; the (international) financial bottom line dominates decision-making in industrial, commercial and labor issue-areas (Cerny 1996). This trend reflects both the existence of multiple levels of interaction between finance and the state and the globalization of finance itself, as outlined in this section.

Monetary Policy

Bank management system has been changed sharply in Bangladesh which includes liberalization of deposits and lending interest rates, approving the domestic and

foreign private banks to operate, capital adequacy requirements, easy recovery process of defaulted loans, etc (Repo in 2002 and reverse Repo in 2003). Despite the wide-ranging reforms noted above, the performance of the banking system in Bangladesh continues to suffer from drawbacks. Several deficiencies are noted below on the basis of information from the central bank (Bangladesh Bank 2010a).

- Among 14 observations of risk weighted capital ratios for the years 2004-2010 (two observations for each year), there were only three instances when the banking system as a whole met the minimum regulatory requirement of 10 per cent. State-owned commercial banks consistently failed to meet the regulatory standard, foreign banks maintained considerably higher ratio and private banks showed mixed performance, generally remaining close to the ratio.
- Gross non-performing loan ratio has shown declining trend over the 2004-2010 period, but remained high at about 9 percent during the second quarter of 2010. The ratio is alarming for state-owned commercial banks as well as specialized banks (exceeding 20 per cent). However, the ratio was quite low for private and foreign commercial banks (less than 4 percent and less than 3 percent respectively) during the second quarter of 2010.
- Intermediation spread (difference between lending and deposit rate) shows an upward trend, exceeding 5 per cent in June 2010.

As regards determination of the volume of money and credit, monetary policy in Bangladesh has been consistently expansionary. The rapid rise in broad money as a proportion of GDP from 28.7 per cent in FY 99 to 48.9 per cent in FY 10 bears ample testimony to this statement. The growth rate of broad money has consistently exceeded the growth of GDP at current prices. Credit to private sector which is the dominant component of broad money has also witnessed rapid growth ranging from 17 per cent to 22 percent during the period FY 2006 to 2010 (Bangladesh Bank 2010b). With regard to the impact of monetary policy, an earlier econometric study (Younus 2004) found, *inter alia*, that:

- Monetary base does not have a significant impact on deposits or credit, possibly due to excess reserves of commercial banks in Bangladesh. This situation persists even now with significant excess liquidity in spite of some recent decline; excess liquidity fell from Tk. 34,500 crores at the end of June 2010 to Tk. 27,100 at the end of March 11 (Bangladesh Bank 2011).
- Monetary base does not have a significant effect on output

- Credit does not have a significant impact on the price level.

In 80s Bangladesh government launched liberalization policy to create a hope of competition, enhancing customer service and improving managerial efficiency in banking sector. But both the Private Commercial Banks (PCBs) and NCBs could foster the operational efficiency and customer care too little because of eroded credit discipline.ⁱⁱⁱ These are mainly because of absence of prudential and information regulations and effective lenders recourse. There is nothing to deny here, that during this period the banks and financial institutions have spent much time for compliance with directives on credit allocation and too little time for screening the quality of their loans. In these circumstances, by the early 80s, it was realized that without broad based financial reforms, the continuing "financial distress" would further aggravate. (Barai 1999) on the basis of two important reports, a wide-ranging reform measures was adopted since 1989. Actually since 1983, the government of Bangladesh started denationalization and privatization measures in the financial sector lowering of barriers to entry for both domestic and foreign banks. 2 out of 6 NCBs were denationalized, 6 private banks and 4 more foreign commercial banks started functioning from 1984. From FSRP period (1989) the government fairly eased entry for both domestic and foreign banks. As a result, as on 30-06-97, the number of domestic private banks and branches increased up to 17 and 1120 respectively and the foreign commercial banks and branches increased up to 12 and 28 respectively. But the percentage share of PCBs in total bank deposits increased to 28.19 percent by the end of June, 1997 as compared to 27.83 percent of the previous year. Actually the share of PCBs in total bank deposits during the period 91-97 remained around 25.63 percent to 28.19 percent. The share of PCBs in total bank advances during the same period remained 22.00 percent to 27.59 percent But the net profit increased to Tk. 1997.3 million by the end of June 1997 as compared to BDT 1378.7 million of the previous year. On the other hand, the share of FCBs in total bank deposits remained 3.95 percent to 6.95 percent during the period 91-97 and share of advances remained 4.71 percent 3 percent during the same period. But interestingly the profit rapidly increased from 3.2 million to Tk. 1350.2 million during the period 91-97 (Bangladesh Bank Report 1997). It is questioned that how PCBs increase their profit – that may be from ancillary business and interbank money market. What is evident from the statistics available here is that the foreign banks are not that interested in offering that much of advance to the local borrowers particularly to the long terms borrowers. It could

be seen from the table that while their share of deposits is increasing in recent times, their share of advances is not keeping pace with the growth of that. It is good for business but not for economic growth. Bangladesh is trying to follow through industrialization.

The other reform measures in the financial sector included external and internal financial liberalization. As to the external liberalization, Bangladesh Taka has been made fully convertible for current account transactions since March 24, 1994. Due to convertibility and exchange rate liberalization, banks are now quoting their own rates for their customers. For foreign investors, capital account has been kept open, as a result of which a sizable number of foreign investors especially portfolio investors started coming to invest in Bangladesh. (Chowdhuri et. Al, 1995).

Lowest Capital Flow

The Institute of International Finance (IIP)(2002) said that the private sector capital flows to emerging market economies are estimated to drop to US\$ 122.90 billion this year from US\$ 126,00 billion last year (2001), which would be the lowest since 1992. In terms of GDP the level of private capital flows would be even lower, falling to just 2% of GDP, against 4% in 1992. Next year -2003 capital flows are forecast to be US\$150.80 billion, still well below the annual average of US\$187.00 billion over the past decade. The increase next year is predicted in Argentina, Brazil, Turkey, Uruguay and Venezuela due to successfully navigating the economic and political uncertainties. The decline in flows this year is mainly due to Latin America, which would see US\$ 29.10 billion in net private capital inflows down from US\$ 45.60 billion. Asia -Pacific emerging markets are forecast to see US\$ 60.70 billion in net private investment this year, up from US\$ 53.40 billion in 2001. Emerging European markets are seen attracting a net US\$ 23.90 billion this year, up from US\$16.40 billion last year. The G-7 countries proposed a sum of US\$ 750-800 million to be made available for the Heavily Indebted Poor Countries (HIPC). The HIPC program was initiated by World Bank and IMF in 1996 for the rescue of 26 countries in Africa out of 40 countries in the world. Under any consideration, the amount is absolutely meager compared to the need and ability leverage. Two characteristic features of globalized finance are:

- 1) Haws of foreign debt tend to be highly arbitrary and
- 2) Recipients necessarily destined to face banking, currency and debt crisis at some point of Government revenues.

There is a weaker management of Bangladesh macroeconomics in low revenue collection - it is the lowest proportion of GDP as revenue – considerably lower than that of Nepal. The growth of revenue collection has been very slow rising from 9.5 per cent of GDP in FY 99 to 11.3 percent in FY 09 (Islam 2012). Total revenue is divided into three categories. These include National Board of Revenue (NBR) taxes, non-NBR taxes and non-tax revenue. NBR taxes which this article focuses on constitute the most important category accounting for 75-80 per cent of total revenues.

The Impacts

Financial internationalization is at the heart of the development of the 'competition state' (Cerny 1994b; Andrews 1994). Indeed, it has been the motor of change. Deregulation is an ongoing process which increasingly puts the financial economy in a position of hegemony over the real economy at both international and national levels, undermining not only policy autonomy but the very bases of state authority and democratic legitimacy. The implications are crucial to many aspects of contemporary politics, and are at the root of widespread and far-reaching changes in the nature of political structures and processes in general. Challenges to traditional notions of political power stem directly or indirectly from financial globalization in three main areas: the nature of the state itself; the nature of public policy; and the future of democracy in a globalizing world.

Financial Globalization and the Hollowing Out of the State:

Financial internationalization and its fallout in terms of regulatory arbitrage have fundamentally undermined the traditional differentiation between the international, national, and sub-national levels of analysis. Globalization is a *domestic* as well as a transnational and international process. Agents such as interest groups, social categories, political entrepreneurs, bureaucratic actors and the like -- not to mention an increasing number of individual consumers and market players - are linked into the global economy (and society) as surely as they are bound by national or domestic society. 'Social forces' are increasingly transnational (Cox 1981). In the relative absence of effective transnational-level political structures, those linkages must all pass through and be shaped by the price-setting mechanisms which form the structural heart of financial markets. The same is true of state institutions and policy processes. State financial power is now dwarfed by private financial markets.

Financial liberalization generates a lot of socio- economic problems in Bangladesh especially in banking sectors. Bangladesh Bank regulates the commercial banks; but the commercial banks frequently breach the rules and regulations in the name of liberalism. They are conducting the lending process in sake of higher profit. Though they provide the interest to the depositors at a small rate, they lend it at a higher rate. As a result industrialization is being hampered seriously and price hike is getting vulnerability. The whole capital sectors face irregularities and mismanagement such as Sonali Bank and Basic Bank scam. Liberalism is essential and protectionism is also needed to some sections.

Globalization and Response of FDI:

The core foreign direct investment (FDI) policies of a country consists of rules and regulations governing the entry and operations of foreign investors, the standards of treatment accorded to them and the functioning of die markets within which they operate. The attractiveness of this prices plus a host of advantages like the ownership-specific advantages (e.g. proprietary technology) of a firm, location advantages of the host countries and firm's ability of internalization of the advantages have a crucial influence on a country's inflows of FDI.

Bangladesh is offering various preferential advantages for external firms – financial sector is made more open along with liberal business policies as per the Financial Sector Reform Program held in 1989-90.^{iv} Actually in Bangladesh an exclusive package of incentives and facilities is offered, particularly in the Exports Processing Zone (EPZ) those are operational at present and same would be offered in other EPZs which are going to be established, to the foreign investors. The location advantages of Bangladesh need no elaborate discussion (*Barai 1999*). So with a huge pool of low-cost labor, land, various other fiscal and financial incentives along with a globalized view, Bangladesh should have emerged as a major destination for FDI. But unfortunately, Bangladesh has remained a very bottom level player in the FDI-drawing game. Has globalization of the country helped us in this regard before trying to answer this question - let us try to see how far the zones or sectors in Bangladesh have succeeded in attracting FDI?

Significance of Foreign Investment

Foreign Investment carries enormous significance in a developing country like Bangladesh. Realizing the importance of foreign investment Bangladesh formulated

its first Industrial Investment Policy in 1973, revised it again in 1974, 1975, and in 1978. Foreign Private Investment (Promotion and Protection) Act, 1980 and the Bangladesh Export Processing Zones Authority Act, 1980 were enacted. To make the foreign investment more attractive new industrial policy was announced in 1982. However, the Industrial Policy 1999 is by far the most comprehensive document Bangladesh has ever made for investment including foreign investment (Dhaka Chamber of Commerce and Industry 2002c). The major incentives for foreign direct investment in Bangladesh are as under:

- Protection of foreign investment from nationalization and expropriation
- Abolition of ceiling on investment and equity share-holding by foreigners
- Accelerated depreciation in lieu of tax holiday on certain simple conditions
- Concessionary duty and VAT on capital machinery and spares
- Rationalization of import duties and taxes
- Six months multiple visa for prospective investor
- Citizenship by investing USD 500000 or transferring USD1 million permanent residency by investing USD 75000.

Table 4.2: Sectoral Distribution of Private Capital Inflows into Bangladesh:

Sectors	FY1996-00	FY 2001-05	FY 2006-10
Gas	134	218	114
Power	113	193	174
Telecom	17	17	17
FDI in EPZ	58	123	199
Other FDI	150	205	241
Total FDI inflow	472	757	744
Debt inflow	149	154	159
Total inflow: FDI+debt	621	911	902

Table 4.3: Profile of Capital Outflows (5 years averages) Million USD:

Sectors	FY1996-00	FY 2001-05	FY 2006-10
Gas	34	111	151
Power	13	156	340
Telecom	00	20,	42
Other FDI	336	190	409
Total Profit & Income	83	477	942
Payment on Debt	46	117	229
Total out flow on FDI+debt	129	594	1171

Source: Bangladesh National Board of Investment 2011.

The main question is: can the economy sustain the foreign exchange payments that will be needed to cover the profit repatriation, interest payments and amortization of private debt? Clearly, in Bangladesh context, the nature of private capital inflows has implied little augmentation of foreign exchange reserves. Thus three critical issues emerge from the nature of these capital inflows:

- The high import intensity of FDI inflows and subsequent profit repatriation and interest payments, implies a worsening current account deficit associated with FDI
- There is no discernible accumulation of foreign exchange reserves and consequently, no upward pressure on exchange rates (essentially ruling out the prospects of 'Dutch Disease')
- This FDI, together with private sector borrowing in foreign currency, has risen to an estimated US\$600 million a year between FY 01-FY 05, and will rise over a billion US\$ a year for the next 5 years.

Bangladesh has to attract foreign direct investment to rapid growth within prevailed the globalization process; but economic infrastructure and social culture perhaps cannot suit with it.

Globalization and Poverty

Is globalization good or gruesome for the poor, say, of Bangladesh? In some cases, it is rightly argued that the rules of globalization are not fair to the poor countries like Bangladesh even though, given earnest endeavor, rich and poor can bridge the gap. Experiences testify that while global markets are good for developing

countries, the rules that are being asked to follow often militate against their motives of accessing markets in developed countries. "Caught between WTO agreements, World Bank strictures, IMF conditions and the need to maintain the confidence of financial markets, developing countries are increasingly deprived of the room they need to devise their own paths out of poverty" (Rodrik 2002).

It thus appears that arguments against globalization are anchored in its inability to address the problems of the poor countries and, as a result the nations in the 'periphery' are being pushed further to the fringe by those at the 'center'. However, making any grandiose generalization about the impacts of globalization particularly on poverty in developing countries warrants some cautions. It is because, first, the poor is not a unique and homogeneous group. Economic integration is likely to affect different segments of them differently. Again, one aspect of globalization may be baneful; another may turn out to be a boon. Second, and as said before, globalization is not a uni-dimensional concept; there are variants of integration of which trade, finance, culture and technological services are arguments of the set called globalization.^v Of course, all of these generate anxieties about growing inequality, shifting power, and cultural uniformity, but it is very difficult to delineate the components of globalization that hit the poor below the belt.

Indeterminate Impacts

Bangladesh is a country that is containing about 10 million people of ultra poor in rural areas – globalization fuels this fire for a long time. They own land less than 10 decimals, children are engaged in paid works, and half of the babies die within one year – this is the features of the extreme poor people in Bangladesh. Globalization is failure herein to identify the root causes of such poorness.^{vi} By and large, people of this group live in an unfavorable ecological enclave or in remote and land-locked areas with fragile infrastructural facilities leading to poor economic participation rate. In a sense, such poor households are caught in the 'poverty trap' where poverty transcended on them through generations. Again, this group constitutes a larger segment of the 'chronic poor' also. Their daily calorie intake per-capita is less than 60 per cent of the recommended dose. If calorie intake reflects income earned, their income level is pitifully low. Further, this group spends more than 60 -70 per cent of the very feeble income on food (mainly on domestically produced coarse rice), and the rest is spent on non-traded inputs and outputs (Bayes 2011a).

It can possibly be argued that the waves of globalization can hardly reach the shores of the extreme poor people. The main problems with them are the lack of access to human and physical capital - education, good roads, electricity, pure water and sanitation, public services etc. The inaccessibility to these services deprives them of productive pursuits. Even government's massive safety nets programs rarely provide a sigh of relief. In this particular grim situation, blaming globalization for the persistence of their poverty would amount to encouraging the inefficiency and incapability of a national government in meeting their demands for dimes. Only well-orchestrated and appropriately designed pro-poor policies could help them come out of the poverty-cave. Thus, the impact of globalization on the poverty of this particular group is almost neutral or non-existent. Their spiny livelihoods pattern is hardly pinned by tradables and hence, is unlikely to be punched by globalization.

When globalization is good

The beauty of globalization is that it goes to reduce the "sense of isolation" felt in many of developing countries, especially, those reeling under remote existence. They are land-locked and lying mostly in Africa. Globalization has provided the opportunity of accessing knowledge "well beyond the reach of even the wealthiest in any country a century ago". Stiglitz (2003) reckons that the anti-globalization activities themselves are the results of global connectedness, mainly through Internet. Even when there are negative sides to globalization, there are often benefits. For example, *a la* Stiglitz, opening the market for dairy for imports may hurt local dairy firms but helps poor children with cheaper milk. New foreign firms may hurt state-owned enterprises but in exchange for the introduction of new technologies, access to new markets, and the creation of new industries.). However, the crux of the problem is that those who vilify globalization too often overlook its benefits, and those who glorify globalization know no limit.

Now think of a poor person named Majiruddin (60) of Pabna who came to do some earth digging works in Jahangirnagar University club premise. The university authority hired labors to excavate the pond, and paid each of them Tk.180/day. He carries a mobile phone to keep contact with kith and kin that he left behind. Besides, his coming to Dhaka for a job owes to a mobile call from relatives. Quite obviously, Majiruddin's mobile phone is the product of globalization; the deeper it is the more is that at the door steps. The news that 40 per cent rural households in Bangladesh

now use mobile phones and a portion of the users are poor, speaks of the positive aspect of economic integration. The use of shallow machines and HYV seeds for rice cultivation by poor farmers and tenants indicate the usefulness of economic integration for the poor. In a similar vein, when we reason for a robust growth of our remittances, we in fact express our craving for more integration among nations. Here more globalization, and not less, is better. Likewise, the spread of internet services to educational institutions, offices and business houses pinpoint the poignancy of growing integration. Of course, in this context a kind of "digital divide" might arise that needs to be narrowed.^{vii}

Let's take the case of the poor - and mostly women - working in the Readymade Garments (RMG) industries of Bangladesh. In fact, trade bodies and economists at large have been harping on more access to developed country markets, somehow or other. The clamor comes from the notion that a rise in the access to these markets for RMG products would benefit Bangladesh in several ways - more employment for the poor and reduction in poverty through the enhancement of exchange entitlements. Then the economy would become resilient through forward and backward linkages and multiplier effects. By and large, the diplomatic efforts at looking for new markets for our labor force also indicate the importance of economic integration.

In this particular context, we can draw upon a research that seemingly reveals the reasons for more integration. It is that a significant part of the poverty reduction during 2000 and 2005 may be attributed to the growth in the receipts of Remittances and Ready Made Garments (RMG) exports. Almost a quarter of the poverty decline between 2000 and 2005 in Bangladesh is attributed to the combined impacts of growth of RMG export and remittances. The finding also shows that remittance growth might have played a greater role in reducing poverty than the growth in RMG exports (Khondker and Raihan 2009). Thus, craving for more access to these markets means a demand for further globalization. In other words, more globalization is beneficial and less is baneful. Likewise, if there occurs financial flows in mining, power plants or other lumpy investments, there should remain little grudge against globalization. As we have discussed earlier, a massive inflow of FDI would be necessary to turn the vast pool of labor force - labeled as liability - into an asset.

Another empirical exercise shows that, at global level, "wages have grown twice as fast in the more globalized developing countries than in the less globalized ones and faster than in rich countries as well. The combination of rapid growth with no systematic change in inequality has dramatically reduced absolute poverty in new globalizing countries. For them the third wave of globalization is indeed the golden age. Poverty was cut in half in only 10 years. Vietnam was unusually successful in entering global markets for labor-intensive products. While the more globalized economies grew and converged, the less globalized developing economies declined and diverged. Thus globalization clearly can be a force for poverty reduction" (World Bank 2002a).

When globalization is gruesome

The condition of import substituting industry like sugar, textiles, jute, and other agricultural products is poor in the South - East Asia and Latin America due to the liberalization of financial accounts following the wave of globalization. Besides that point, the greed for rapid economic growth throughout the world has already heightened environmental hazards - the burden of which is being mostly borne by the poor countries (Bayes 2011b). The inequality of income generated by international trade is well-documented in the available. And since the initial inequality level is an important determinant of the pace of poverty reduction, one could rightly vilify grisly globalization going at the moment.

Greeting the Globalization

Thus, given the caveats laid before, any grandiose generalization about the impact of globalization on the poor could be counterproductive. Standing against globalization at times sounds parading against the poor. Anti-globalizers should raise voice against protection of poor countries' exports to developed countries, polluting environment, indecent and insecure working conditions in plants, low wages etc., and not against globalization per se.

As far as Bangladesh is concerned, it can possibly eye on economic integration (trade and technological) from another angle. An estimate shows that the country can have a rate of economic growth of 8-10 percent and can create 3-4 million jobs a year only when it takes advantage of its assets (labor) and overcome handicaps (delayed decisions, corruption, old mindset etc). The main source of rapid growth will be labor-intensive exports, mostly by chopping the Chinese market reported to

be reeling under high labor costs. That implies that exports will have to grow at 30-35 per cent as against 10-12 per cent of the last 8 years. The exports earnings at US\$ 14.5 billion in 2009 would double by 2011 and help create 3.5 million jobs directly. That 3.5 million will result in 7 million jobs - assuming an employment multiplier of 2 as in other countries - in 2 years from labor intensive exports (Papanek 2010). Once job created, that would mean more taxes for the government and more jobs in infrastructure, construction. The multiplier and linkage effects so created could place Bangladesh on a high growth trajectory. If every year 3 million workers, instead of 1 million, got productive jobs growth would increase by 1 per cent, income by \$ 1 billion, wages would rise and poverty would reduce. If millions cannot find productive work that is not only horrible economic waste; but also an explosion waiting to happen. By and large, huge flow of FDI in power sector (gas and electricity) and in labor-intensive manufacturing could help reduction of poverty (also discussed in Section 3). That means one can argue for more economic integration so that FDI and finance inflow into the country.

As mentioned before, at global level, poverty is reported to be falling in those poor countries that are thriving through global markets. The allegation that globalization increased inequality among countries also don't seem to hold water on an empirical plane. In fact, in the century before 1980, world inequality increased enormously; since then it has stabilized and may be declining. "The pre-industrial world was more equal but much poorer, and returning to such a world is neither realistic nor desirable...the new globalizes are catching up with the rich countries. Poverty is largely rural; people are seizing the opportunities provided by industrialization to migrate from rural poverty to the first rungs of the urban jobs ladder...But so far, countries with about 2 billion people have not participated strongly in globalization and have been falling further behind" (World Bank 2002b).

Migration and Remittance

The final mobility about which one hears much these days and which many US commentators apparently regard as an intrinsic element of globalization, is labor mobility (Sassen 1996). Americans may not understand and how unique their situation is however. They find in an apparently uncontrollable international human mobility a parallel to the international mobility goods, services and capital. Most of the rest world sees the issue very differently. For the United States, Canada and Australia immigration is linked to nationhood itself and is generally viewed with

favor. In modern welfare states, however, citizen is tempted to view each new migrant on the basis of net fiscal benefit or burden. The most careful recent scholarship suggests that unskilled immigration to the United States does not pass that test (Borjas 1987.)

Bangladesh is benefited by globalization of labor migration. Bangladesh is densely a populated country. It has about 150 millions of population. About 32 percent of total people are unemployed. Bangladesh is not an industrial country. So all the unemployed people cannot be accommodated as workforce in home, so, migration is a blessing to Bangladesh. About 7 million Bangladeshis are employed in different countries (Bangladesh Economic Review 2012) and inward remittances of them are about worth of USD 12843.40 million.

Overseas Employment and Remittances

Remittance sent by the Bangladeshi expatriates make significant contribution towards accelerating economic development of the country, such as addressing unemployment problems, poverty reduction and increasing foreign exchange reserve. A sizeable portion of Bangladeshi labor force is employed in the Middle-East and many other countries of the world. The manpower export has been increasing in the recent years. About 6.91 lac workers went abroad in quest of jobs in FY 2011-12, which was 57.40 percent higher than the number stood at in the previous year. Bangladesh earned remittances of US\$ 12,843 million in FY 2011-12 which was 10.24 percent higher than the remittance earned to the tune of US\$ 11,650 million in FY 2010-11. The year-wise statistics of inward remittances sent by Bangladeshi expatriates is shown in Table below:

Table4.4: Number of Expatriate employees and amount of remittance

FY	No of employment abroad (000)	Amount of remittance			
		In million US\$	Percentage change (%)	Tk. In Crore	Percentage change (%)
2002-03	251	3061.97	22.42	17719.58	23.31
2003-04	277	3371.97	10.12	19872.39	12.15
2004-05	250	3848.29	14.13	23646.97	18.99
2005-06	291	4801.88	24.78	32274.60	36.49
2006-07	564	5978.47	24.50	41298.50	27.96
2007-08	981	7914.78	32.39	54293.24	31.47
2008-09	650	9689.16	22.42	66674.87	22.81

2009-10	427	10987.40	13.40	76109.60	14.15
2010-11	439	11650.32	6.03	82992.89	9.04
2011-12	691000	12843.40	10.24	101882.78	22.76

Source: Bureau of Manpower, Employment & Training and Bangladesh Bank 2012

Bangladesh can gain more labor migration opportunity through globalization. It is needed to send skilled labor to remit increased amount of foreign currency. As in other sectors Bangladesh takes the gaining too much little due to inadaptability with global society.

Credit

The IMF is a key international creditor as well as a monetary institution and it provides loans to countries to resolve balance of payment of difficulties. The most contentious IMF credit facility is the Extended Financing Facility (EFF) 1974, which was designed for countries experiencing server, structural imbalance in trade and production. Receipt of EFF funds rogueries the recipient government to repay the loan at the market rate of interest. When it become clear that the poorest countries could not manage repayment of debt within the IMF's existing credit faculties; the Structural Adjustment Facility (SAF) was established to provide loans for economic reform programs at a low rate of interest and long – term repayment agreements. IN 1987, the Extended Structural Adjustment Facility (ESAF) was introduced and was funded by ‘Soft Loans and donation from around 40 of the richest countries (Bakker 1996). Governments have always faced conditionality rules when dealing with private creditors and although WB and IMF terms of credit (e.g. interest rates) are more limited than those offered by commercial bank, these loans come with a stringent set of economic and social conditional ties, these loan come with a stringent set of economic and social conditional ties, Conditionality are contentions because the IMF and WB are tied to the interests of advanced industrial countries and banks and because of the policy objectives and measures that these institutions favor (Kahler 1992).

Credit is a driving force for both manufacturing and service sectors worldwide. A big portion of national budget of Bangladesh is dependent on credit. Both domestic and foreign credits play a vital role in government expenditure. It also keeps an important role in personal expenditure globally. Further, credit has been a type of burdens to the poor nations like Bangladesh for the creation of excessive dependency especially for the implementation of development programs. Besides,

external funded projects are obviously the breeding sources of corruption and mismanagement in the South which are damaging the cultural base. A good number of borrowers in South Asia commit suicide every year being unable to repay the loan. In Bangladesh, several numbers of people in the North-West part have sold different valuable organs of their body on the current year (2013) for the vulnerability of loan burdens. At personal level, poorness, greed, fashionable lifestyle leads people towards the credit. This consumerist outlook has been imported from the western world in line of globalization. When borrowers buy a unit of credit, they have to pay lots in terms of conditionality. Thus, Bangladesh is presently in the trap of various loans. It is hardly possible to get free from the loan burden because of habituation and dependency.

Public Debt

The Government resorts to borrowing to build critical infrastructure to crowd in private sector investment, fulfill its commitment for balanced development by reducing regional disparity, ensuring supply of essential services to mitigate public hazards, meet unexpected expenditure in emergencies, increase investment and defray development plan outlays. The Government borrows both from domestic and external sources. Table shows year-wise government borrowing (net) from domestic sources covering the period from FY 2002-03 through FY 2011-12 and graph shows source-wise government borrowing from domestic sources over the last 10 years. Borrowing from Bangladesh Bank:

Table 4.5: Net Government Borrowing from Domestic Sources
(In Crore Taka)

Fiscal Year	Net Government borrowing from the banking system			Government borrowing from non-bank sources	Total government borrowing	Percentage of GDP
	Borrowing from Bangladesh Bank	Borrowing from scheduled banks	Total Borrowing			
1	2	3	4=2+3	5	6=4+5	7
2002-03	-2589.70	1607.20	-982.50	4795.22	3812.72	
2003-04	1653.00	1016.10	2669.10	4658.90	7328.00	
2004-05	3826.70	-142.80	3683.90	2972.57	6656.47	

Fiscal Year	Net Government Borrowing from the Banking System			Government borrowing from non-bank sources	Total government borrowing	Percentage of GDP
	Borrowing from Bangladesh Bank	Borrowing from scheduled banks	Total Borrowing			
2005-06	9351.80	-3310.40	6041.40	3103.23	9144.73	2.2
2006-07	905.00	3510.90	4415.90	4682.30	9098.20	1.9
2007-08	66.20	10893.40	10959.60	3144.80	14104.40	2.6
2008-09	2958.10	8317.9	11276.00	5596.00	16872.00	2.7
2009-10	-6634.90	2842.00	-3792.90	12419.57	8626.67	1.3
2010-11	9729.10	9314.70	19043.80	3029.05	22072.85	2.8
2011-12	6408.30	9174.70	15583.00	780.50	16363.50	1.82

Sources: National Savings Directorate (NSD) and Bangladesh Bank (BB).

Government Borrowing from External Sources

The trend of the inflow of external assistance shows that the credit component of such assistance far outweighs the quantum of grants which is on the decline. As a result, outflow of budgetary resources in the form of amortization is increasing which in fact reduces the net flow of external resources to Bangladesh. Table 4.6 shows the Government borrowing from external sources and its repayment during FY 2002-03 to FY 2011-12.

Table 4.6: The foreign aid flow situation is shown in the Graph below:

Financial year	Disbursement of Loans and Grants			Principal and Interest Payment			Net Foreign Aid Flow	
	Grant	Loans	Sub-Total	Interest	Principal	Sub-Total	After Principal Payment	After Principal & Interest Payment
1	2	3	4=2+3	5	6	7=5+6	8=4-6	9=4-7
2002-03	510	1075	1585	156	452	608	1133	977
2003-04	338	695	1033	165	423	588	610	445

Financial year	Disbursement of Loans and Grants			Principal and Interest Payment			Net Foreign Aid Flow	
	Grant	Loans	Sub-Total	Interest	Principal	Sub-Total	After Principal Payment	After Principal & Interest Payment
2004-05	234	1257	1491	185	434	619	1057	872
2005-06	501	1067	1568	176	502	678	1066	890
2006-07	590	1040	1 630	182	540	722	1090	908
2007-08	658	1403	2061	184	586	770	1475	1291
2008-09	658	1189	1847	200	655	855	1192	992
2009-10	634	1588	2222	190	685	875	1537	1347
2010-11	745	1032	1777	200	729	929	1048	848
2011-12	452	955	1407	154	557	711	850	696

Source: Economic Relations Division (ERD) Up to March 2012.

Currently, the debt obligation of the government is at a tolerable level. Financing through grant and credit from external sources is gradually narrowing due to shift in the policies of development partners. This prompted the Government to adopt measures to mobilize resources from domestic sources alongside those from external sources.

Globalization and Society in Bangladesh

Today's every society is touched with globalization. Nobody can go beyond it. Communication technology has been too much advanced by which globalization enters from door to door putting its impacts. It creates advantages along with many disadvantages. Bangladesh society is getting changed rapidly influenced by globalization. Along with various social problems, Bangladesh gains different kinds of opportunity. Bangladesh is a nation of poverty and illiteracy. Its per capita income is US\$ 1020 and literacy rate is only 57 percent. Life expectancy and poverty rate are respectively about 69 and 31 percent. The rate of unemployment people is 32 percent. All society will have to receive advantage through globalization; otherwise they have to be in social problems. In this section, the influences of globalization on Bangladesh society will be analyzed.

Social Change

The application of globalization to explain a wide range of cause and effects has detracted from its potential as a useful explanatory factor of social change. While the political right prescribe 'more' globalization as the solution to many, if not most, social problems, the political left blame globalization as the primary cause of many, if not most, social problems - unemployment, poverty, rural depopulation, urban overcrowding, drug use and abuse, family change, ill health, crime, sex and labor trafficking. The analytical task of more clearly specifying globalization as a project or a process, as well as its impact, is complicated by the problem of how to disentangle globalization from other social processes, such as modernization or industrialization (Crow 1997), or how to distinguish the effects of 'globalization' from the effects of other trends, such as demographic and social change, the decline of Faradism or the collapse of the long-term boom (Wilding 1997: 411).

Bangladesh society faces the problems of unemployment. Poverty, inequality, drug abuse, drug peddling, human trafficking, crimes/violence, family change is the great obstacles in the age of globalization. Of course, GDP growth, child labor, labor mobility, life expectancy, mortality rate etc. are going towards the favorable condition. Here relevant social indicators will be discussed in the light of global trends.

Violence

Crime/violence is a fatal scenario in Bangladesh. Murder, rape case, corruption, deception, acid throwing, robbing, communal violence, and violence against women are the common features in the nation. Besides, political violence gets a new dimension currently because Bangladesh has been a transit route of smuggling of drugs and fire arms. Illegal arms and narcotics are always responsible for crimes or violence. International syndicate (especially the people of India, Bangladesh, Myanmar, Afghanistan, and Pakistan) is critically involved in the illicit dealings – geopolitical doctrine is a bit responsible for socio-political instability. Digital media (cell phone, internet) plays a vital role in these misdeeds that are fueling socio- political violence.

There are widely varying estimates of the cost of violence internationally depending on the definitions used, the types of costs included and the'

methodologies used. In America, the Department of Justice (1994) reported the direct costs of violent crime to victims, based on reported crimes and on responses to the National Crime Victimization Survey (NCVS). In 1994, these cost amounted to \$1.8 billion - 0.02 per cent of the USA gross domestic product for that year. Estimate from other high-income countries tended to be conservative. The Australian Institute of Criminology (2001) reported national annual is of assault of USD 159 million, an estimate that did not include indirect costs and was largely based on the costs of incarcerating offenders. Similarly, the cost of homicide in Australia was calculated at \$194 million per year based on a cost per homicide of \$602 000 calculated the economic cost from homicide in New Zealand: when lost earnings, legal 5, incarceration and policing were included, the cost per homicide was \$67.9 million.

The south-Asian country, India faces the extremism in claims of independence since 1949. The North- Eastern part of India is such a conflicted area:

Northeast has witnessed constant turmoil. By the time 1940s all the states of this region got entangled in the wave of insurgency. Some of the prominent insurgencies afflicting the area are in Assam (ULFA & NDFB), Nagaland (Factions of NSCN), Tripura (NLFT and ATTF), Manipur (UNLF, PLA and PREPAK), Mizoram (MNF) and Meghalaya (HNLC & ANVC). Leftwing extremism poses another threat to India and is very active in states like Andhra Pradesh, Chhattisgarh, Bihar, Orissa and Jharkhand. These extremists have established a compact revolutionary zone in the area and have also established links with Maoist groups in Nepal. Some of the prominent groups are PWG and the MCC (Kabir 2005a). Such extremism sometimes is transmitted to the sub continent. The terrorists of the Indian region frequently take shelter in Bangladesh causing unrest. In the contrast, Bangladeshi criminals also hide in India. In this way, terrorism/extremism is getting established in the sub continent for a long time. It is observed how global situation create criminal circle among North and South.

Kashmir is a bone of contention between India and Pakistan. Both the countries have fought three wars over the issue and came close to war in 1999. The problem in Kashmir took a violent turn in 1989. The movement, which started with the demand of independence by the local populace, has gone through many ups and downs. India accuses Pakistan of promoting terrorism in the region

whereas the latter at an ongoing indigenous freedom struggle in J & K. Pakistan is officially collaborating in its global war on terror launched by the United States. Subsequently, President Musharraf criticized religious terrorism and intolerance in the country and banned five extremist groups, including the Left, Jaish-e-Mohammad and Sipah-e-Saheba. However, they restarted their activities under new names like Khudam-ul-Islam (previously JeM). The government of Pakistan says it has frozen their financial assets and has taken decisive steps to prevent them from resurfacing. During 2003-04, Pakistan has witnessed the upsurge of Sunni-Shia sectarian violence. Some of these groups perpetrating this violence have been linked to international terrorist groups. The government of Pakistan says that it has been successful in arresting many Al-Qaeda terrorists during military operations in the Wanna area in the northern parts of the country.^{viii}

In Bangladesh, factionalism and over-politicization are serious obstacles to sustaining a democratic system. These have become endemic in Bangladeshi political institutions and prevail at all levels of political activities. While some form of factionalism exists in political organizations of most countries, in Bangladesh it often takes an extreme and all-pervasive character - seriously constraining the people's ability to work together. The factional trait is particularly visible in political arena as access to power that opens up opportunities to control a poor society's economic resources (Kabir 2005b). Factionalism also goes hand in hand with over-politicization to vitiate the political system. While the political process affords people to participate at various levels of government, over-politicization creates impediments to government's ability to govern and implement policies effectively. These two traits of political culture are also detrimental to the idea of 'consensus' where different groups or parties, sharing different - even conflicting values and goals live together in a relative harmony, guarantee certain kinds of toleration and ensure stability of a political system.

Human Trafficking

Human trafficking is a great problem around the world. South Asia, Africa and South America are the most vulnerable regions. In South Asia Bangladesh, Nepal and Srilanka face this vulnerability since about 60 years. Poverty, illiteracy are the most responsible factors for trafficking. Trafficked women and

children are transferred to mainly India, Pakistan, Middle East and Europe and are used for prostitution, forced works and illicit trade etc. Globalization process is expediting these criminal activities throughout the world almost recklessly.

The history of women and child trafficking from Bangladesh goes back to the early 50s when camel race and ‘Jockey’ gained momentum in the Middle-East in the course of time. This criminal business has taken an alarming proportion. Women and children are trafficked out of Bangladesh to various countries through a good number of routes. Of the routes, Satkhira frontier is one through which 66 percent women and children are smuggled out of the Country (Rahman 2004a)

Globalization and Professionalism of Trafficking

Globalization and professional of trafficking syndicates, feminization of poverty and rise in sex tourism all have contributed to an increase in trafficking. This problem is further compounded because of two factors linkages of trafficking with the spread of HIV/AIDS and the clandestine nature of the activity. Studies now show that while women of all ages are more vulnerable to the infection than men, young girls are even more at risk because their genital tracts are immature. In addition, they have absolutely no control over sexual relations and sexual health. So a physical vulnerability is compounded by gender vulnerability.

Says a Nepali child rescued from a brothel by STOP, "Clients don't like condoms and the owner of the brothel tells me to do what the clients want. If I refuse then the man chooses another girl and not only do I lose out on making money, I am also beaten up." The clandestine nature of trafficking, which is often undertaken with familial consent, means that there are no action plans either at the governmental or the NGO level to deal with the problem. For instance, the study done in 13 districts of Uttar Pradesh shows that in a sample of 1,341 sex workers, brothel-based prostitution was 793 and family-based prostitution came close to 548 (Rahman 2004b). However, progress —though very little - is being made. Efforts at rescue and rehabilitation of trafficked women and girls have now turned from welfare to a rights-oriented approach. Interventions are increasingly based on issues like combating stigma related to

HIV/AIDS, developing empowering strategies for victims and involving communities in the rehabilitation of rescued women and girls.

Inequality

As regards inequality trends, average income gap between the 20 richest countries and Least Developed Countries (LDCs) is found to have increased from 11: 1 in 1960 to 19: 1 in 1999 (based on 1985 PPP dollars and population weighted). But the gap increased less in case of those LDCs that diversified into manufacturing and services but more in case of those still most dependent on (non-oil) primary commodities (Kiely 2005:900). Income inequalities also exacerbated within countries. For instance, in the US 60 per cent of income gains during 1980-90 went to the top 1 per cent of the population, but real income of the poorest 25 percent of the population remained static for the last 30 years. In UK the gap between the highest and lowest-paid workers is found to be greater now than it was the last 30 years. Moreover, the real income of the poorest 10 per cent of the working population showed a decline (Giddens 1999a: 106-7). Wage inequality was thus, on the rise between mid-1980s and mid-1990s in some industrialized countries. It is now widely recognized that the benefits of growth depend crucially on the distribution of the income generated by economic progress. The functional distribution of income refers to the division of national income between the factors of production, traditionally identified as labor and capital. The size distribution of income measures the share of income received by individuals or families within certain income-groups; this is traditionally identified as the share of total income received by different percentiles of the population. It should be noted that employee ownership of stocks has increased in most industrialized countries leading to some blurring of lines between employees and employers. Yet this increased employee stock ownership as not apparently led to more labour friendly management decisions (Gunter and Heaven 2004)

Inequality is a great problem across the world and Bangladesh is not outside of this. Day by day it increases at an alarming condition. With the expansion of capitalism, inequality is spread all spheres of the society. The income of capitalists' raises multifold compared to the non-capitalist people. There is an acute income gap between the people of urban and rural areas. In Bangladesh only 20 percent people enjoy 80 percent whereas 80 percent possess only 20

percent resources. State and social resources are being deposited mostly into the account of economic and political elites; but the lower class people (peasants, factory workers and informal workers) earn the amount of money that are not sufficient to lead their lives at all. As a result, Bangladesh faces the increased inequality in all stages of the society which is responsible for socio-political demoralized factors. It is observed that the lack of democratic culture both in political and economic fields is generating inequality. The upper-class people use the political institutes and system in favor of their capitalistic gaining; whereas the lower classes are completely deprived from that advantage.

Unemployment

There is also an increase in the open unemployment in the world in the recent decade. International Labor Organization (ILO) gives the total unemployment figure as approximately 188 million (in 2003). There is a variation across regions and countries regarding unemployment trends. Industrialized countries reflect a mixed trend. There is increase in unemployment in Japan, but decline in the US and UK. However, there is an increase in the rate of unemployment within the third world since 1990 as in Latin America and Caribbean, and South-East Asia. The developing regions on the other hand generally showed increasing share of self-employment which is linked with stagnation or slow growth in modern sector employment and hence an increase in labor absorption in the informal economy (Giddens 1999b).

The growth-poverty nexus discussed earlier gives an indication of the major channel through which globalization has affected the employment opportunities for the poor. By boosting the non-farm non-tradable sector from both demand and supply sides, it has helped create new employment opportunities for the poor in this sector - in the form of both self-employment and wage-employment, which were more remunerative than the petty self-employment in which they had traditionally been involved. But doubts have been expressed in some quarters regarding the employment-generating effect of globalization in Bangladesh. These doubts have stemmed from the available statistics on employment in general and manufacturing employment in particular. Some consideration of these issues is, therefore, in order.

To start with the overall employment situation, the evidence from successive *Labor Force Surveys* shows that the pace of employment generation slowed down somewhat in the 1990s. Thus, while labor force grew at roughly the same rate in both 1980s and 1990s (about 3.4 per cent per annum), employment growth declined slightly from 2.7 per cent per annum in the first period to 2.3 per cent in the second. As a result, open unemployment has increased - from about 2.8 per cent in 1990-91 to 4.9 per cent in 1999-2000 (table 4.7). In a recent study, Mujeri and Khandkar (2002) tried to assess the quantitative impact of trade liberalization on poverty using a computable general equilibrium model. They found that complete elimination of tariffs would reduce rural poverty by about 4 per cent compared to the base scenario, which amounts to a pretty marginal impact. Their model did not, however, consider the demand side effects of the kind stressed in this paper. Allowing for these effects would presumably strengthen the impact, but it is difficult to speculate by how much.

Since 1989, *Labour Force Surveys* use two different definitions of the labor force. These are called the "usual" and the "extended" definitions, the difference being that many household type activities that do not count as "work" in the "usual" definition do so in the "extended" definition. Moreover, working age is defined alternatively as starting at the ages of 10 and 15 years. As a result, from 1989 onwards there are four different definitions of concepts such as labor force, participation rate, employment, unemployment, and so on. This has set a trap for researchers, and even government publications, which often mix up statistics based on different definitions. The figures quoted above are based on the "usual" definition of labor force of 10 years and above.

Surprisingly, the rise of open unemployment to an unprecedented level has raised concerns that globalization may not have improved the employment prospects for the poor, and may even have worsened it (Muqtada et al., 2002). The first point to note here is that whatever has happened in the era of globalization cannot necessarily be attributed to globalization, because other things may have had an effect as well. A couple of points are worth noting in this context.

Table 4.7: Basic statistics on labour force in Bangladesh, 1983/84 to 1999/2000
 Year Labour force (ml) Participation rate (%) Employment (m) Unemployment rate (%)

1983/84	1984/85	1985/86	1989	1990/91	1995/96	1999/2000
28.5	29.5	30.9	33.34	35.9	41.7	45.0
43.	43.	46.5	7.0	48.83	48.3	49.
9-	9- -	30.	32.7	4.9	40.3	242.8
		51.3	1.2	2.8	3.4	4.9

Notes: All figures are based on usual definition of labour force 10 years and above.

**Data for 83/84 and 84/85 are from Islam and Rahman (2003),
 Data for 1986 are Statistical Yearbook of Bangladesh 2000,
 Data for 1989 onward are from Labor Force Survey 1999/2000,**

First, unemployment has been rising even before the 1990s. Thus, the rate of unemployment rate increased from 1.3 per cent in 1985-86 to 2.8 per cent by 1990-91, and the absolute number of unemployed people actually increased faster in the earlier period at the rate of 20 per cent per annum in the second half of the 1980s as against 10 per cent in the 1990s. Not too much should be read into these comparisons, though, because unemployment grew from a much lower base in the earlier period. But at the very least these figures confirm that rising unemployment is a continuation of an earlier trend – one that did not worsen in the 1990s.

Second, in order to see what lies behind this rising trend, it is instructive to look at the composition of the unemployed people. *Labour Force Surveys* reveal that open unemployment afflicts mainly the educated youth. Thus, in 1999-2000 the highest incidence of unemployment was found among the 20-24 age group (11.2 per cent), followed by the 25-29 age group (4.1 per cent) (LFS 2000a). Furthermore, the rate of unemployment increased almost monotonically with the level of education until the last Bachelor's degree and above, when it declined somewhat. Those with no education at all had an unemployment rate of only 1.4 per cent (LFS 2000b). Moreover, nearly 80 per cent of the unemployed persons remained unemployed for more than a year (LFS 2000c). In a country without social security, it is unlikely that many of these unemployed people would

belong to the really poor families. Unemployment in Bangladesh would thus seem to be essentially in the nature of "search unemployment" on the part of educated young men and women belonging to mainly non-poor households.

Changes in Family Structure

Globalization focuses attention on the ways in which individuals, families, communities, regions and countries are embroiled in international and transnational structures and processes (Baltodano 1999). There is a growing influence of global media through television, internet, etc in the shaping of the culture of the new generation all over. The role of institutions like family and nation in shaping the values, attitude and behavioral pattern is declining fast (Tomlinson 1991).

The family size of the western countries started to decline at the beginning stage of the last century. Following the state or social policy, those people aged over 18 have and had to be individual earners being separate from their families. Gradually this system gets popularity to the oriental countries. Family structures are on change in Bangladesh since 70s. Fertility rate declines and family size is getting smaller gradually. Electronic media, urbanization, industrialization play a vital role in changing the family structure. Professional migration is an influential concern for family relation and size. Currently the elderly people are mostly going to vulnerable conditions all over. Educated sons are migrated to other places putting their elderly family members lonely at home for meeting up their professional needs. Even the young generation doesn't feel comfort in living with elderly members of the family because of their privacy matters. It is consequently viewed that the nuclear or small family's children cannot be developing both mentally and morally lagging the proximity of peer and kin groups.

The recent fertility decline in Bangladesh suggests that fundamental social change is underway. Several contraceptive prevalence surveys and a demographic surveillance system have shown that fertility decline began in the late 1970s or early 1980s. Compared with other countries at similar level of development, it is a rapid transition (Bongaarts and Watkins 1995). Such a decline in fertility invites explanations, including ones about change in desired family size as it is driven by the transformation of the family as an institution.

Indeed, an intense debate has taken place concerning that issue with Bangladesh as the battleground (Thomas 1993; Cleland 1993) However, empirical evidence on change in families and household remains surprisingly scant. We know little about the extent of change in the nature of households and families and its role in the course of fertility transition. Even the highly sophisticated Demographic Surveillance System of the International Centre for Diarrheal Disease Research, Bangladesh, is unable to yield periodically updated information on the formation and dissolution of households. The paper reports an attempt to shed light on these issues with an in-depth analysis of households in two rural villages of Bangladesh.

The thesis of increasing poverty and landlessness as forces of change affecting fertility sees the family as a mediating institution: poverty weakens the strength of family tie (Adnan 1993), and raises the relative cost of rearing children.^{ix} Because poverty has been a defining characteristic of the Bangladesh economy, the alternative thesis of development-led modernization, generally thought to be the force behind family change elsewhere^x cannot be applied with much conviction to this setting.

Poverty-induced change in family and fertility rates on well-documented differentials in household living arrangement by landholding status in rural Bangladesh; sons in landless households leave their parental home earlier than sons in landed households to form households of their own (Cain 1978; Khuda 1988). Landless fathers have less influence over the timing of a son's departure from the parental household. Adnan (1993) extrapolates from such findings to suggest that fertility has declined because sons can no longer be counted on for their elders support; with the possible consequence that increasing landlessness leads to dis-integration of the family support system for the elderly. A similar and related argument has been developed connecting the breakdown of extended family living arrangements and the situation of women.^{xi} Kabeer (1994) suggests, as a possible explanation of changing fertility, that as poverty weakens the family support system, it promotes disaffection with marital and family relationships and encourages women to seek more autonomous lifestyles, the implication for fertility is that women seek alternative roles to those of wife and mother.

Child Labor

Jhon Ruskin told that the real wealth of a nation is not the amount of the coins, or counters, or bank notes, that it possesses but its people and not least of all, its children. Likewise, UNICEF in one of its annual reports has evocatively observed. The day will come when nations will be judged not only by their military or economic strength, nor by the well-being of their people, by the provision that is made for those who are vulnerable and disadvantaged and by the protection that is afforded to the growing minds and bodies of their children. ILO has defined that child labor includes children primarily leading adult lives, working long hour for low wages under conditions damaging their health and their physical and mental development, sometimes separated from their families, frequently deprived of meaningful educational and training opportunities that could open up for them a better future. The implications of the above definition is that all those who are engaged in economic activities for less amount of normal wages and having the age group of below fourteen years may be included in child labor sometimes they are engaged in non-hygienic bad environment conditions, risky jobs dangerous to their lives even without getting money wages but wages in kind (Singh 2009a).

Child labor is a social evil that deprives children of their basic right to development hindering human resource development and disturbing thereby the entire process of economic and social development. According to the encyclopedia of social sciences, it is defined as when the function of work in childhood is primarily developmental and not economic children work then, as a social good is the direct antithesis of child labor as a social evil.

The traditional explanations generally given for the existence of child labor include three factors-societal attitudes, lack of compulsory education and poverty. In Bangladesh despite initiation of numerous legislations and welfare oriented measures a large number of children continue to work both in formal and informal sectors- assist within the household and work in hundreds of non-formal occupations. It is true that due to extreme poverty and illiteracy of the parents and societal attitudes, these children work under inhuman conditions. When an adult male head of a household loses job or pushed into casual work with a loss of steady income, women and children are forced to work to disparately maintain minimum standards of living. About 25-30 percent of

garment workers are under 18 yet in Bangladesh. In order to compete in export markets in the global stage owners recruit them at low wage. Other export sectors (tea, leather, shrimp, ship building) are also recruiting the children under the age 18 for low cost of production.

Apart from the traditional explanations, another phenomenon of the 1980s and 1990s leading to dramatic increase in the number of working children lies in the Structural Adjustment Programme (SAP) facilitating the process of globalization. The SAP has been basically forced upon the developed nations by the IMF and World Bank as part of package deal for being bailed out of the debt crisis. This mode of restructuring global economy with export led unrestricted forces of world market is now resulting in casualization of labor, growing unemployment, poverty and social deprivation of the masses (Singh 2009b). In the face of severe debt crisis in developing countries, the first axe of the financial cuts fall on the social sector investments. To make competitive advantage for their exports in the global market, children become the easiest targets for these countries. They are employed with very low wages when demand for export goods exist and when faced with slack in demand the helpless tiny tots can be easily laid off without compensation.

A child of today cannot grow without positive socio-economic environment – that would be ensured both by society and state. They should be developed for the development of a society as a whole – but in a poor nation it is a little bit impossible. So a child is forced to engage in a work leaving education and other rights which affect both him and the state.^{xii} Neglecting children means loss to the society as a whole. If children are deprived of their childhood—socially, economically, physically and mentally—the nation gets deprived of potential human resources for social progress, economic empowerment and peace and order, social stability and good.

Labor and Human Rights

Labor standards are norms and rules that govern working conditions and industrial relations (OECD 1996a: 25) and they cover most aspects of labor markets - collective bargaining, wages, working time, health and safety, labor inspection, non-discrimination, child labor - and related institutions such as social security systems. Labor standards have developed within an international

context of attempts by the labor movement to establish a body of international law on workers' and human rights in anticipation of the impact of global capitalism on working conditions (Evans 1998; Herold 1997). They can be traced to the 'free trade' vs 'fair trade' debate, which dates back to the nineteenth-century concerns about unfair terms of trade competition arising from socially unacceptable practices. In the contemporary context, they are advocated to prevent countries from basing their comparative advantage on low labor standards (OECD, 1996b). Labor standards are a core site of global social politics and, although labor standards are enshrined in international agreements and global policy discussions, they have 'remained a battleground of controversial viewpoints and diverging interests' (Sengenberger and Wilkinson 1995: 116). Currently, the main global institutions regulating labor standards are the UN, ILO and OECD.

Bangladesh is a member of UN and ILO and it has signed the charters of these global institutions. But Bangladesh could not maintain the labor rights according to the terms of global authority. Collective bargaining, wages, working time, health, and safety all the matters are improved little as the level of maintaining human rights. As a poor nation it is difficult for Bangladesh to maintain labor rights accordingly due to the lack of structural management, political instability and social constraints. External rules sometimes are regarded as conflicting element to our societal norms and customs. If it is maintained the labor rights properly, productivity is increased steadily in all industrial, specially the exporting sectors (garment, tea, ship building, leather, light engineering).

The idea of establishing institutional links between trade and labor regulation can be traced back to the proposal for an International Trade Organizations (WTO) to regulate world trade, whose cooperation with the ILO would be intrinsic to the post-war institutional framework. This proposal floundered in the face of national opposition, and trade regulation fell to GATT, while labor regulation fell to the ILO (Evans 1998, Wilkinson and Hughes 2000). As then, so now, responses to a social clause, or an institutional link between trade and labor, have ranged from qualified acceptance to outright opposition. It has caused division within and between the trade union movement, NGOs and governments, and none of the international institutions have been prepared to include a social clause in trade treaties and make the WTO share in the

administration and enforcement of labor standards, even though OECD and World Bank regard the economic effects of core labor standards as at least neutral, and at best positive (Evans 1998). The WTO has insisted that there is no need for a social clause because free trade will 'naturally' improve labor standards. Although it supported a global commitment to core labor standards and pledged to continue collaboration with the ILO on the issue, it reaffirmed that the WTO should be concerned only with trade and that the ILO should concentrate on labor and with mitigating the social effects of WTO legislation. The ILO, which has argued for greater consideration to be given to the effects of economic globalization on workers, has also expressed grave reservations at a sanctions-based social clause which it regards as incompatible with its traditional emphasis on moral suasion and assistance in establishing and maintaining workers' rights. It has also been concerned about a perceived encroachment on its principles and procedures by another organization.^{xiii} Opponents of a social clause have objected to it on the following grounds. First, it would enforce Western cultural values on non-Western societies. Here, as in the sphere of human rights, it is alleged that Northern governments are using the ethical claims of international society as a vehicle to assert a new global hegemony (Deacon 1999a; Wilkinson and Hughes 2000). Second, a social clause would erode the comparative wage advantage enjoyed by developing countries when engaged in competition with industrialized countries. Third, a social clause would introduce a new form of protectionism by industrialized countries against developing countries. As Shiva argues, social (and environmental) clauses are a form of 'unilateral internationalism' which would 'function primarily as conditional ties imposed by Northern governments on Southern governments' (1995: 5). It is objectionable that social clause cannot challenge the issues of social degradation – free trade or substantial economic rights.^{xiv} Finally, a social clause would do little to help many women, since much of their work falls outside the scope of international labor regulations anyway, while the enforcement of labor standards may further negatively impact on their employment. Social clause is a little bit bars to industrialization in the developing countries like Bangladesh. It introduces western policy, system, and values and degrades the structural and cultural environment. Through eroding of advantage of wage difference, the poor nations face uneven competition with others. Besides, social clause imposes some barriers to export from the poor to rich nations.

Globalization and Corruption

Corruption is not only limited within Bangladesh but also few neighboring and African countries are attacked with it. It is told that it is now a global concern and has become an international problem. Bribery custom is an open secret matter all over the world. Bribery charges also caused the resignation of NATO Secretary General Willy Claes, a former Belgian defense minister and Czech Prime Minister Vaclav Klaus. The recent overthrow of Zairian President Mobutu Sese Seko was fueled by popular resentment over his multibillion dollar corruption. In China a member of the Politburo resigned in a massive corruption scandal. Very recently 600 Chinese government officials in southern China bordering Honkong and Macau were hauled up on charges of corruption and smuggling. During 80's and early 90's a number of executives of Savings and Loan Associations in America were convicted for milking the depositors' money.^{xv} Mike Milikan who made billions and a few other operators in New York money market were thrown into jail for Stock Exchange scam and corruption. Only very recently a few officials of the World Bank which so far had a very clean image were thrown out on charge of corruption. The instances quoted above while far from exhaustive demonstrate corruption as a worldwide phenomenon and what is more important there is increased awareness of the gravity of the problem the table here recently prepared by Transparency International (TI) an advocacy group for good government will indicate 10 most corrupt and 10 least corrupt countries.

Table 4.8: Global Corruption Index 1995

The 10 countries considered the most corrupt and the least corrupt in Transparency International's 85 nation study. The countries are rated on a 0-to 10 scale where zero means the public business executives and experts see the country as highly corrupt and 10 means they see the country as highly clean.

MOST CORRUPT		LEAST CORRUPT	
COUNTRY	SCORE	COUNTRY	SCORE
Cameroon	1.4	Denmark	10.0
Paraguay	1.5	Finland	9.6
Honduras	1.7	Sweden	9.5
Nigeria	1.9	New Zealand	9.4
Tanzania	1.9	Iceland	9.3
Indonesia	2.0	Canada	9.2
Columbia	2.2	Singapore	9.1
Ecuador	2.3	Netherlands	9.0
Venezuela	2.3	Norway	9.0
Russia	2.4	Switzerland	8.9

Out of this new perception a number of initiatives are emerging at national and international levels at government and private levels. It is not possible to discuss all of them in this paper for lack of space. Only a few important ones will be discussed below.

Until recently the World Bank and other international financial agencies paid little attention to corruption apparently considering it a political matter outside their purview. This is no longer so. With the appointment of James Wolfish as the President of the World Bank in 1995 the attitude to corruption radically changed. In his speech in the annual general meeting of Bank-Fund in 1995 he included the first reference to corruption in his presidential speech. At the 1996 meeting Wolfish declared fighting corruption a top priority. In 1997 the Bank adopted a comprehensive program, including strong controls to prevent bribery in World Bank financial projects and assistance to governments to promote reforms. In 1998 it has cautioned 5 biggest global accounting firms not to lend their signatures of approval to company accounts improperly drawn up. Last year it has refused to disburse sanctioned loans to Kenya because of government

failure to tackle corruption. The World Bank has also taken steps to motivate the journalists to perform its role in holding governments accountable for, their economic policies and fighting corruption and cronyism financing (Ahmed 2002a).

The most important landmarks in the fight to combat corruption have been the establishment of Transparency International (TI) in May 1993 by a group of individuals who had earlier worked for international organization. It is a non-profit organization and is based in Germany with 73 country chapter all over the world including one in Bangladesh. Goerge Moody Stewert, a retired British businessman with decades of experience in Africa and Asia states that under the table payment of 5 percent to a head of government in the third world on a large contract used to be typical but recently figures like 10 percent are often heard. Many of us of course must have heard that the husband Benazir Bhutto used to be jokingly termed first as Mr. 10 percent (Ahmed 2002b). Similar jokes are also current in Bangladesh. Many corporations are offering bribes because they believe that their competitors are doing the same. For instance, British companies have to bribe in some area of the world when seeking contracts.

Health Care Policy

There is plenty of anecdotal evidence that among the rich there is a fairly developed market in the supply of high quality specialist care internationally: in the case of acute surgery (for instance heart and some transplant surgery), in the case of chronic care, and in the case of the treatment of a range of psychiatric conditions (such as varying forms of addiction) private health care institutions in many of the most advanced industrial countries, run on a for-profit basis, sometimes by multi-national corporations, provide a luxury, high quality service for the rich. There is nothing new in this: more than a century ago the continental system of spa towns, for instance, developed by providing a range of therapeutic services to the rich of Europe. It is possible that in an age of much easier geographical mobility the tendency of the rich to buy specialized care in this way has increased, but we have no longitudinal measures which would allow us to demonstrate this. If we had, we might well find that more visited the spas than now travel abroad to attend modern clinics and hospitals (Moran and Wood 1996). Outside the world of the rich the flow of patients (or medical tourists) across national boundaries in search of medical treatment is actually

very limited. The limitations are set by some obvious factors. In most advanced industrial states access to health care - other than the access secured by the rich who can pay the full market rate - is closely connected to national citizenship. There are significant difficulties in transferring citizenship entitlements across national borders. Even where, as in the case of the member states of the European Union, provisions for the transfer of entitlements exist they are cumbersome, and certainly do not always allow the ease of access to medical care which citizens can enjoy inside their own national territories.

Bangladesh is a least development country. Medicare system and technology could not be yet advanced here in the field of complex diseases (transplant and surgery needed cases). Every year about 20-30 thousands of rich patients go different countries for better treatment. They take Medicare mainly in Singapore, India, Thailand, UK and USA. Obviously the hospitals of these countries provide better medical services than that of Bangladesh. Of course, recently a few numbers of global standard hospitals (Apollo, Square, United and Japan- Bangladesh Friendship Hospital) have been established hence. But expenditure is sharply higher but service is not so good. Thus they cannot satisfy the demands of needed Medicare. It is satisfactory that the number of outgoing patients decreases gradually. On the other hand, medical professionals (doctor, nurse and pathologist) of Bangladesh are being migrated to different countries such as KSA, Kuwait, Iraq, Libya, UAE, UK, USA. Beside a good number of doctors from UK and India migrate to Bangladeshi Hospitals (Apollo and Square). Mainly they are surgeon and cardiologists. Through taking higher education and training in developed countries, many doctors of Bangladesh are becoming experts. Finally it is said that health tourism is a good outcome of globalization. Health care liberalization started accordance with the imposition of terms and conditions by WHO and ILO.

Although the care offered in modern health systems is quintessential a Personal service- a matter of individual professionals dealing with individual patients - it is a personal service whose delivery is only possible the use of a complex and highly advanced technology. Much of the health care industry is concerned with the creation and marketing of that technology, and with the provision of a physical infrastructure allowing its delivery. Technological innovation has placed large parts of the industry in health care products at the forefront of

modern industrial economies. The Pharmaceuticals industry is the most striking example: with a rate of spending on R&D over three times that of automobiles (Financial Times 23 March 1994a) it is the paradigm of a modern knowledge based industry. Some parts of the medical equipment industry show similar characteristics: the market in Diagnostic Imaging Technologies (e.g., body scanners) was one of the fastest growing industrial sectors during the 1980s, involving integration between the traditional medical equipment industry, microelectronics and computers.^{xvi} High research and development costs, integration with other industrial sectors (and, in the case of pharmaceuticals, massive marketing costs) all lead to one unsurprising outcome: the attempt to conquer international markets to reap economies of scale. The ten largest prescription drugs markets, for instance, represent more than 90 per cent of the world market Pharmaceuticals (Financial Times 23 March 1994b). Here, in other words, is a clear case where one of our four senses of internationalization has occurred: the markets transcend the boundaries of the nation state.

About 220 pharmaceutical industries have been established and run well in Bangladesh for 20 years. Their medical products are exported about 62 countries and earn huge amount of foreign currency. As a LDC, Bangladesh gets the exemption of payments for applying the opportunity of Global Intellectual Property in pharmaceutical industry. After 2016 this exemption opportunity cannot be continued as per the terms and conditions of WTO. It is thought that it will not be bar to the industry for its strong base – it has already been a global reputation – hence WTO and other global authority play a positive role.

Environmental Change in Bangladesh

For whatever reasons, human beings first appeared on earth a long time ago. Throughout the years we have evolved into consumers of goods and services, developing markets for trade and exchange for the subsequent individual and social welfare (Stone 2002). Then, a dilemma appeared - now most famously termed as the tragedy of commons, natural resources owned by all were exploited to the point of depletion by a few. The implication of this gross self-indulgence is not only affecting our collective welfare but reduces the life of the ecosystem that supports us, potentially leading to the eventual demise of our so called economic growth and everything related to it, including the human race. Some suggest the impossibility theorems and its applicability to sustainable

development (Daly 1992). Historically, humans have been insignificant in changing the future of the planet. It all changed during the Industrial Revolution which presented the reigns of control of the earth and her resources to mankind. Industrialization in the history of mankind have given rise to an ingrained practice of wasteful resource utilization with limited focus on the efficient use of all available capital - natural ones included. Hence the need for sustainable development practices ultimately emerging from this notion. But what is climate change, and why is global warming occurring around the planet? Greenhouse gases trap energy from the sun in the earth's atmosphere and heats it up. While this is necessary for life on the planet, higher amounts of emissions and increases in Greenhouse gases are speeding up this warming (Sunny 2012). Melting of polar ice increases the temperatures – that is causing the rise of sea level and human displace. In this regard, there is an option to reduce emissions and to take the adaptation plan.^{xvii} At the same time, adaptation plans for these changes need to be drawn up and enforced. These emissions are mostly given of from distrait plants locomotives living things and buildings.

Climate change is a major threat to sustainable growth and development in Bangladesh, and the achievement of the Millennium Development Goals: urgent action is needed. Although Bangladesh is the country least responsible for climate change, it is particularly vulnerable to the effects, including reduced agricultural production, worsening food security, the increased incidence of both flooding and drought, spreading disease and an increased risk of conflict over scarce land and water resources (Rashid 2009).

Bangladesh and Environmental Background

Bangladesh is a low-lying, riverine country which is formed at the confluence of the Ganges (Padma), Brahmaputra (Jamuna), Meghna as well as their distributaries and tributaries. It stretches latitudinal between 20°34' north and 26°38' north, and longitudinally 88°01' east and 92°41' east. The area of the country is 147,570 square km which consists mostly of low and flat land with a large coastline of 710 kilometers of the Bay of Bengal (ibid). The country is bounded by West Bengal (India) on the west, Assam and Meghalaya (India) on the north, and Assam, Tripura and Mizoram on the north-east and Myanmar on the south-east and the Bay of Bengal on the south.

There are 140.23 million people in Bangladesh where density of population is 950. About 30 percent people live in urban and 70 percent are in rural areas. The growth rate of population is 1.31 percent and per capita income of the people is USD 1024 (Census 2011). Bangladesh is almost a flat and fertile land except the hilly regions in the north-east, some areas of high lands in the north and north-western part. Physiographically Bangladesh can be divided broadly into 3 regions, floodplain area, pleistocene terrace, and tertiary hills (Final Report 2005, National Adaptation Program for Action-(NAPA). Each of these regions has distinct characteristic of its own. The floodplain covers 80 percent of the total area of Bangladesh, which consist of almost flat lands and depressions (back swamps or old channels). Floodplain areas are located in the north-western, central, south-central and north-eastern regions which are the most hazard prone areas of the country. Elevation of the tidal floodplains from sea level is less than 1 meter, 1 meter to 3 meters on the main rivers and estuarine floodplains. Pleistocene terrace covers 8 percent of the area which consists of two major uplifted blocks, known as Madhupur and Barind tract in the North West.

Bangladesh is a country of Tropic of Cancer which has a tropical monsoon climate characterized by heavy seasonal rainfall, moderately warm temperatures and high humidity. Regional climatic differences in this flat country are minor. In this country, three seasons are generally recognized: a hot, humid summer from March to June; a cool, rainy monsoon season from June to October; and a cool, dry winter from October to March. January is the coolest month of the year. The average temperature of the country ranges from 7.20C to 12.80C during winter and 23.90C to 31.10C during summer (BBS 2006). The climate of the country is one of the wettest in the world. Average rainfall of the country is 203 cm. Most rainfall (80 percent of the total) occurs in the monsoon (June-September). The average relative humidity for the whole year of the country ranges from 78.1 percent at Cox's Bazar to 70.5% at Pabna.

Emission and Development

Legislations also have deep-rooted public implications, especially in terms of employment. Jobs are a hot topic in current times, and this aspect of climate regulations has received great importance recently, as stringent policies in carbon emission reductions would not benefit labor markets which is slow to

adjust to the shift, compared to the output demands. CBO also estimates a possible loss to purchasing power, primarily affecting the middle of the income distribution (Elmendorf 2009). American public opinion and support on this issue is generally skewed and divided. The climate change problem is not resolvable without proper international efforts and coordination as energy policy variants from country to country. Carbon emission policy has to be mandatorily implemented internationally.^{xviii} While the challenge in the US is to balance sectorial energy supply towards secure, affordable and clean technology for economic growth, while simultaneously reducing emissions, in other developed countries like Europe, the economic system can respond to the carbon constrained factors while maintaining the same level of GDP. Also, in Europe's case, capital and trade can be utilized to reduce 75 percent, of Kyoto costs when compared to zero of carbon trading (Menyah and Wolde-Rufaei 2010; Capros & Mantzos 2000). Another benefit is that carbon markets can lead to enhanced renewable energy technology, integration and greater environmental performance, as local, solutions. They have lower costs and risks and more accommodating energy portfolios. Also implementation at this level is not only just reliable or cost effective, but more realistic and manageable than national energy policies, hence higher chances of success and addressing the issue (Capros and Mantzos 2000).

With increased various advanced technology may decline emission, but growth of both population and income increase carbon based emission. Besides, lifestyle changes and higher consumption trigger the uses of carbon. Presently the popular technology is based on renewable or green energy which spreads almost the western world. It is as cheap as green. Japan, Germany, Denmark, Norway, Finland introduce renewable energy at a large scale recently. India, China, Brazil, Turkey, Russia, S. Korea, Malaysia presently uses carbon at a big amount but the use of renewable energy is remarkably lowered.

Climate Change and Bangladesh

The natural disasters like rising global temperature, cyclones in various places frequently, tidal surges, droughts and floods, are all indications of major changes in climate. According to the intergovernmental panel on climate change (IPCC), the main cause of climate change is the rise of global average temperatures. Continual increase of global warming has affected the seasonal

pattern and endangered seasonal diversity. IPCC report (4th assessment report 2007) includes observed changes in natural and managed system. A set of observed effects due to changes in the cryospheric are found. Effects of changes in the cryospheric have been documented in relation to cryospheric components (mountain glaciers and ice caps, ice sheets and ice shelves, snow cover, sea ice, ocean freshening, circulation and ecosystems, lake and river ice etc).

Assessment of average temperature and precipitation over Bangladesh has been done using a new version of MAGICC/SCENGEN based upon over a dozen recent GCMs. The results obtained by Agrawala et al. (2003) for changes in temperature have been adopted by The National Adaptation Programme for Action (NAPA) for Bangladesh. But the results of Agrawala et al. regarding changes in precipitation were modified. Identified changes are as follows-

Table 4.9: Climate Scenarios projected in NAPA document

Temperature Change (°C), Mean Rainfall changes (%), Mean Sea Level Rise (cm)

2030	2050	2100
1.0	1.4	2.4
1.1	1.6	2.7
0.85	1.16	1.9
2614	5832	10288

Source: NAPA 2007

Another model-driven climate change scenario was generated based on ensemble technique which is applicable for Bangladesh. Projected temperature rise according to the Bangladesh Country Study for the U.S. Country Studies Program was 1.3°C by 2030 (over mid-20th century levels) and 2.6°C by 2070. However, this projection was made using an older version of the Geographical Fluid Dynamics Laboratory (GFDL) transient model (Manabe et al. 1991). This is slightly higher than the projection made in Table 4.9 and may reflect lower climate sensitivity in more recent climate models. Nonetheless, the central findings are coherent with the analysis presented above: the report estimated that winter warming would be greater than summer warming. Also according to the estimation in the study, there would be little change in winter precipitation and

enhancement in precipitation during the monsoon.^{xix} The significant adverse impact of climate change in the rise of sea-level has risen by 10 to 25 centimeters over the past century. In terms of the adverse impact of climate change, Bangladesh is one of the most vulnerable countries in the world. Poor economic condition of the people of Bangladesh and reliance on the natural resources has intensified has vulnerability (Government of Bangladesh 2012).

The followings are key likely impacts due to climate change extracted from different impact prediction for Bangladesh:

- Heat stress will increase and summer duration would be longer. Huge pressures on basic facilities and existing support services (water, sanitation and health).
- Inadequate water supply and health facilities for the poor within the hotspots. Decrease ground water supply, deteriorate water quality, reduce recharge of ground water, and reduce water availability for rain fed-agriculture.
- Rainfall erratic and untimely.
- Increase social and mental health stress, food security, safe drinking water problem, insecure shelters, and unsafe health condition.
- Loss of forestation and degradation of ecosystems and loss of biodiversity. The composition of Geographic distribution of ecosystems will change as individual species respond to new conditions due climate change.
- Sea level rise and salinity intrusion in the coastal zone. Small islands are extremely vulnerable. Thousands of people are displacing from coastal and islands community. Possible more sea level rise will dislocate millions from their livelihoods and displace them from settlements.
- Huge damages of livelihood resources, livestock and live support systems by climatic extremes (Floods, erosion, cyclones etc.) Enhance mass migration.
- Damages of infrastructures and poor housing and phenomenal growth in human settlements and communication (Rashid 2009).

Globalization and Environmental Complexity

So the question remains- can us, as members of society, collective embark on a quest to find a solution to this global crisis? The participatory model in society can be seen as a hindrance to the overall goal. Analysts do in fact debate that

state sovereignty is the main driver of world affairs and no matter how much we try to define the global governance of the 'World Government', progress has been limited. Some things like peace and security, trade and health require policies at the global level which is why anchor institutions like the WTO, WHO, IMF and UNEP exist, but in an individualistic observation, it is clear that some if not a majority of the nations are at odds over economic and environmental goals which is why this multilateral system is currently under threat (Ivanova 2010 and Simms 2005). Most of the population in democratic countries is actually inactive to find a solution of the big crisis, only but some population of environmentalist political parties and organizations.^{xx} Many larger democracies like USA, India, China, China, and UK have failed to take and ratify important accords. But it is viewed that they pioneered environmental legislations in the 70s. Big corporations may invitee but this main aims are to profit. Besides, NGOs and research institutions are working with some environment al issues which are exclude from global decision making. Without political decision globally this issue cannot be fruitful. It is also hazardous because democratic government cannot formulate and execute environment policies due to influential public behavior. On the other hand, authoritarian state can do it. But no state including China and Venezuela is agreed to do so yet owing to invisible cause.

China took the one child policy and other home decision. They took no decision on global environment. More and more governments are institutionalizing projects and programs that integrate environmental objectives in non-environmental policy work such as Environmental Impact Assessments (EIA) and both vertical and horizontal Environmental Policy Integration (EPI) features. However, once again the implementation is lacking where it is needed the most-developing countries (Lafferty and Hovden 2003, Eseland and Jimenez 1992).

Developing Countries

The developing nations are making and implementing laws, and policies despite their various internal problems. Globally formulated policies are executed there through funding provided almost by external authorities. There are lagging behind logistic supports in poor nations, but their performance is better than that of rich nations. The North is mostly responsible for pollutions; whereas their

less participation is solution process is pushing the South in vulnerable situations. Bangladesh, Maldives, Srilanka are the most threatened nations though they are not individually able to resolve this problem.

The trends of globalization have unveiled greater influence of privatized environmental governance on the global scale. The essence of global environmental management with economic and social implications have therefore started to shift away from state capacity thereby empowering the civil society which saw the rise of activity organizations and interest groups gaining power as non-state actors, where different actors are capable of having differential access to decision making (Hessing et al 2005). This will have a profound effect on international relations as the trend predicts an inevitable and likely shift from states towards firms, heralding a new dynamic of interaction between the public and private sectors. The main reason for this is the neoliberal notion of free trade' efforts where trade barriers have been sought be removed completely and this is seen in various countries where the governments have resorted to replacing environmental regulations with standards such as the ISO series for example (Clapp 1998). Policies are at times made considering public support. Although no two major world problems affect a certain group the same way (e.g. world hunger, health insurance) global warming and its effects on humans have a multidimensional effect on the world citizens.

River Pollution in Bangladesh

Rivers play a vital role in keeping the ecosystem functional and productive. In terms of the Environment Conservation Rules, 1997, water quality of the main rivers in Bangladesh such as the Padma, Meghna, Jumuna, Korotoa, Dhaleshwari, Surma, Kusiaraare within the acceptable limit all the year round. But the water quality of the rivers flowing around the Dhaka City namely Buriganga, Balu, Shitalakhya and Turag are not within the limit especially in the dry season when the water flow is very low. In the dry season Dissolved Oxygen (DO) of these rivers comes virtually to a naught for which phytoplankton and zooplankton cannot grow and live. The Government has, therefore, declared the rivers like Buriganga, Shitalakshya, Turag, Balu and their foreshores Ecologically Critical Area (ECA) to take necessary actions to improve the ecosystem of these rivers (Government of Bangladesh 2012).

DoE has been monitoring the water quality of some of the important rivers since 1973. It monitored water quality at 88 places of 27 rivers in the country in FY 2010-11. The parameters of water quality are: pH, chloride, turbidity, total dissolved solid (TDS), dissolved oxygen (DO), biochemical oxygen demand (BOD) and chemical oxygen demand (COD).

Pollution

Air is one of the important elements of environment. DoE takes necessary steps to control air pollution based on the result of monitoring all over the country. The department has established air monitoring centers in Dhaka, Chittagong, Khulna, and Rajshahi and receives results off monitoring. It is implementing a number of projects to control air pollution.^{xxi} To upgrade the air standard, a project financed by World Bank titled 'The Clean Air Sustainable Environment (CASE) Project' is being implemented by DoE which has two main components:

- Environment -emissions from brick fields are included in this component. DoE is implementing this component.
- Vehicles - vehicles management and technical aspects are included in this component.

To prevent air pollution, following activities are being carried out:

- Implementation of modern technology in brick manufacturing industry.
- Compulsorily establishing air pollution prevention equipment in the industries.
- Making stringent law to prevent traffic air pollution.
- Ensuring the quality of fuel.
- Enforcement of annual/periodical monitoring on discharge from vehicles.
- Law enforcement for transport and industries.

Climate Change Adaptation (CCA)

Adaptation refers both to the process of adapting and to the condition of being adapted. The term has specific interpretations in particular disciplines. In ecology, for example, adaptation refers to changes by which an organism or species becomes fitted to its environment (Lawrence 1995; Abercrombie et al., 1997); whereas in the social sciences, adaptation refers to adjustments by individuals and the collective behavior of socioeconomic systems. Adjustment process with changeable socio-economic and environmental conditions is called

adaptation – it is presently termed with the climate change which makes a fatal vulnerability to the Bangladesh like countries.^{xxii} Adaptation has two-fold importance in the climate change issue— one relating to the assessment of impacts and vulnerabilities, the other to the development and evaluation of response options. Adaptation actions and strategies complement mitigation. Mitigation is the process of reducing the likelihood of adverse conditions. On the other hand, adaptation can be viewed as reducing the severity of many impacts if adverse conditions prevail. The process of adaptation reduces the level of damages

Adaptation and Mitigation

The government is attaching highest importance to the issue of tackling climate change induced disasters and the country's preparedness to protect lives and livelihoods of the people. A Climate Change Trust Fund was established by enacting a law in FY 2009-10 and a budgetary allocation of Tk. 700 crore was made from the Government's own resources. Over the last three consecutive fiscal years, the Government allocated a total of Tk. 2,100 crore for this fund. The main objective of this fund is to implement the BCCSAP (Bangladesh Climate Change Strategy and Action Plan 2009). As per Climate Change Trust Act 2010, an amount of Tk. 714 crore has been set aside as fixed deposit and an amount of Tk. 1,386 crore has been earmarked for implementation of different programs and projects to tackle the adverse effect of climate change. A total of 92 projects at an estimated cost of Tk. 1,089.97 crore are now being implemented using the resources from this fund. The concerned ministries including the Ministry of Environment and Forests are implementing these projects. The Ministry of Environment and Forests has established an outfit called Climate Change Unit to channel this fund. Besides, a Trustee Board has been formed for approving the projects under this fund. The Department of Environment has taken up the following 6 projects for implementation under the Trust Fund in FY 2011-12:

- ❑ Waste Reduce, Reuse and Recycle (3R) Initiative in Gulshan, Baridhara and Dhanmondi areas of Dhaka and Nasirabad and Khulshi areas of Chittagong cities
- ❑ Prepare baseline, capacity building of entrepreneurs to develop CDM project proposal and evaluation of DNA under Clean Development Mechanism project

- ❑ Programmatic CDM through utilization of waste in all towns (Municipalities) of Bangladesh
- ❑ Community Based Adaptation in the Ecologically Critical Areas through Biodiversity Conservation and Social Protection
- ❑ Environmental management system at the Parky Beach area
- ❑ Modernization and Extension of Chittagong Divisional Laboratory of Department of Environment to strengthen the monitoring and assessment system due to the adverse impact of climate change
 - A multi-donor trust fund called 'Bangladesh Climate Change Resilience Fund' has been established in 2011 in order to take projects in the adaptation sector. As of now, an amount of US\$ 125 million has been released for this fund. Under the BCCRF, a Multipurpose Cyclone Shelter has been established in the coastal area which is governed by the Ministry of Local Government, Rural Development and Co-operatives.
 - The government is considering establishment of a separate Department of Climate change.
 - Under the Climate Change Trust Fund, the Government has taken up for implementation the following important projects:
 - ❑ Innovation and Extension of Rice based Technology to Reduce the Adverse Impact of Climate Change
 - ❑ Strengthening Institutional Capacity of Climate Change Unit
 - ❑ Farm Productivity and Food security Enhancement of the Vulnerable Farmers in the Char Areas of Jamalpur and Sherpur Districts
 - ❑ Water supply and Social Security for the Women and Children of the Adversely Affected Areas Due to Climate Change
 - ❑ Construction of Embankment and Infrastructural Development of Polder No.5 to Tackle the Adverse Impact of Climate Change
 - ❑ Project on Restoration of Forest and Conservation of Biodiversity in the Wetland Area to Reduce the Adverse Impact of Climate Change
 - ❑ Coastal Afforestation to Combat the Adverse Impact of Climate Change

Climate Change Adaptation Status in Bangladesh

In 2002, CARE and Bangladesh implemented Reducing Vulnerability to Climate Change (RVCC) project as the first climate change adaptation project at

community project in southwest region of Bangladesh. The project piloted several adaptation strategies and options in the context of salinity, flood, water logging and drought. In 2005, National Adaptation Programs of Action (NAPA) was introduced by the Government, where following regional consultations, NAPA suggested range of adaptation strategies for Bangladesh. By collating available information from literature and through four regional consultations, the NAPA document highlighted a few adaptation measures and prioritized them. The following are the adaptation measures which have received endorsement of the Government of Bangladesh through NAPA exercise. It is important to note that the proposed adaptation measures are primarily based on existing coping mechanisms and practices, as well as 'needs based suggestions' forwarded by national experts in relevant field/sector.

Political Globalization and Bangladesh

Globalization is an inevitable phenomenon which originated as economic and business term and now influences all the matters of human lives. Political fields are getting impacted by it just after economic aspects. No individual state can formulate policies and execute them without being influenced by others (both the internal and external agencies). Developed or developing countries, all have been internationalized politically as per the necessity of own ground. It is observed that rich nations are benefited more than the poor. The western world mostly pressurizes the developing countries in political fields through various conditionities. As a result, the South including Bangladesh is being undermined interns of sovereignty. Bangladesh politics gains a bit development institutionally; but political culture cannot be so at all. Moreover, no nation can do separately also in any societal dimension. This section examines how globalization plays various roles in political dimension in Bangladesh.

Neo-liberalism and Bangladesh Politics

Liberalization is a stronger element of globalization - it covers socio-political and economic affairs. Mainly IGOs work worldwide with the agenda of liberalization which is reshaping the world unified. Western world and MNEs formulate such liberalism agenda for their hegemonic purpose along with business interest. The poor nations become obliged thereby to meet up the conditions by which the state autonomy gets minimized resulting in political unrest there. There are highly contrasting interpretations regarding the shape that

the nation state is taking in the current globalization world. Neoliberals see rapid erosion of the nation state and predict its ultimate demise as a result of globalization. Globalization exposes stages to the global market place. When a country's political, economic and developing activities become globalize, the national government may ease to be dominant (Shunichi 2003, cited in Mozlish 2005). The state autonomy of Bangladesh loses at every step being a dependent one in the age of globalization. Bangladesh adopts various external suggestions and conditions to reform governance and economic structure which are not actually suitable for us. There have been transformed apparently of political institutes and legislations, but not of their quality and functional efficiency. Besides, some structural changes in economic fields have been done well along with having qualitative complexity. Liberalism increases 'business cartel' generating corruption and income inequality both in urban and rural areas in Bangladesh. Liberalism converts the state power towards business community strategically. MNCs and host business groups make a business nexus in terms of corporate power exercise in the parallel line of government structure. Thus people of grass root levels become marginalized more; but state can take action hardly against the trade syndicalism.

Syndicalism as it actually favors them both in dominating and business interest, Skeptics/ NCO- Marxists and radicals also agree that the nation state is gradually eroding but do not accept the Possibility of its demise. Rather, they see reframing of the nation state in general and welfare policy in particular long market lines which could be disadvantageous to the marginalized sections of the society. Transformationlists hold that the very nature of the state is changing with gradual erosion of the very foundation of its sovereignty and autonomy. But it is not going do or die. It is undergoing a process of transformation because of its being reconstituted (Martinelli 2002). It is understood that state will not govern but just perform the welfare related jobs. Besides, it cannot control anybody but gives policy support. But Bangladesh government is doing almost everything that is similar to go towards quasi dictatorship. It controls and manipulates persons and institute by the name of good governance. Liberalization is just functioned theoretically. The state authority takes some initiatives for the welfare of society to show the global authority. Besides, foreign suggestions for welfare works are not suited to such a nation. Here the

positive role of globalization is not so little but it is not visible; but policy complexity is clearly viewed all over the nation.

Role of Multilateral Enterprises

Capital flows is freed worldwide in the age of globalization. Generally from developed to developing countries, it is getting transferred frequently. Multinational companies transfer their capitals to such a country where business environment is conducive and stable. They create influences on the host government to favor of their business at beginning stage and aftermath. Getting influenced the government gives them various policy supports (tax holiday, custom exemption, withdrawal of non- tariff barriers). It is viewed that local companies can receive such these supports very little resulting in backwardness of their business. Government can take punitive measures rarely, if MNCs breach the clauses of contract and international business rules. It is previously viewed that it cannot withdraw policy supports from the foreign companies by any means. Foreign direct investments are essential to poor countries and investors are mainly the representative of dominating countries of the world. Claims that the state has been marginalized and emasculated tend to follow globalize orthodoxy and take the defect of the state and the victory of capital as a given:

The Sovereignty of nations is in peril not on account of the international economy but because of the power of corporations to invest with less legislation, to reshape public policy support of private wealth generation and most of all to appropriate the political culture of nations for corporate. The message is clear as it is simple national place has to give way to corporate space (Drache 1996:53-4)

TNCs export their goods to the developing countries availing the opportunity of tax reductions. This tax reduction opportunity is availed through market liberalism agenda established by international relevant authority. Non- tariff barriers sometimes are imposed for local companies but not for TNCs almost. As a result, globalization provides the TNCs easy market access opportunity across the world.

The deregulation of TNCs trampling over nation status therefore underplays the significance of extensive state regulation of capital and market sectors. The underestimation of the pivotal role of the state in capitalist global economic development can be summed up in one word: Japan is the only nonwestern

country to enter the core. Japanese capitalism, like Japanese imperialism, is decidedly a joint creation of Japanese capital and the Japanese's state. The Japanese state has actively limited direct investment by transitional capital, and in the early 1970's trade and investment restrictions were even more stringent than those adopted in developing countries (Evans 1985).

A good number of transnational companies (Unilever, Airtel, Telenor, Samsung, Runner, Occidental, Conoco-Philips, Novartis, Aventis, BP, Rangs) are doing business well for about 10-30 years long in Bangladesh. Several companies invested capitals here by availing various state supports. State hardly interferes on this businesses or investments. Rather, they create stress on the host government to get additional policy supports and avail more advantages. Besides it is observed that if the companies breach any condition of contract or international rules; Bangladesh government can take hardly any punitive measure due to its internal causes.

Many MNCs breached contract conditions in previous time and incur a heavy loss of state wealth; but they are seemed yet to be above the law and punishment. It is observed that MNCs are stronger than the states which belong to Third world. Globalization process works here in favor of MNCs or dominating countries. Actually all MNCs are doing profit at unimaginable form in the developing countries. It is visible that Bangladesh gets something obviously from foreign companies such as technology attainment, employment opportunity and a good amount of revenues.

International Organizations and Bangladesh State Authority

UN, IMF, WB, WTO, UNDP, UNHCR, UNICEF, UNESCO, OECD etc. are the international organizations which play a pivotal role in policy making process in all countries of the world. Especially poor countries cannot go beyond the influences of IGOs. They think that dictatorship cannot establish rule of law, human rights and justice. As a result, peace process is hampered not only in host country but also in regional level. Authoritarian government always tries to dictate and govern all sectors including business. IGOs do not support such governance at all. But no government is able to go ahead without global supports in the age of globalization.

Bangladesh is a developing country of which public policy and governance process are directly influenced by the global institutions. There have been attained many positive suggestions by Bangladesh government from those organizations along with some negatives. Sometimes democratic problems have been resolved by their instructions and further, some policy suggestions create complexity in political arena too. Trade liberalization agenda is regarded a responsible factor for our fiscal deficit and debt crisis. Income inequality and corruption are regarded here the worst consequences of the aid and loan policies of IGOs. The constant socio- political and economic instability of Bangladesh may be regarded as the bad outcomes of unsuitable suggestions of global organizations. Theory based foreign instructions cannot be always fruitful for a poor and inefficient nation like Bangladesh. Besides, these unsuitable agendas make the third world counties complex and unrest in politico-economic fields. Polarization and hegemonic trends in international arena lead the poor countries towards the perilous situations. It is observed that UN envoys have been taken many good initiatives for several times to settle the electoral crisis in Bangladesh. Though good outcomes hereby were very few; there have been opened many paths to solutions. These are to be milestones on our democratic process which cannot be avoidable. Bangladesh government is suggested to be more diplomatic and skilled in negotiating table with global institutions.

Globalization and Governance Reform

Something the concept of good governance is used by multilateral agencies in a limited sense, referring, only to institutional reforms and an effective government (IMF 2002:8). But overall the concept has a very broad canvas in their agenda. The major multilateral and bilateral development financing agencies view of good governance is an interregional part of their globalization agenda as set largely by dominant capitalist countries in the world decision – making is these agencies indicated by the rich western countries, which have a pro- market and anti-state intervention focus (Dashgupta 2005:33). It involves laying explicit emphasis on the dominance of individual over collective concerns and it provides more space to the market those operatives on the basis of economic efficiency. The conciliation is observed when market determines allocating of resources for production and consumption, state interventions is viewed as causing dissipation in locative decisions making and the creating inefficiency. So, the governance reforms require curtailing state intervention and

ensure at the same time a change is the quality of interventions in the desired sectors. In essence the role of government/ public administration is redefined. Its main task in the globalization/ liberalization framework is to facilitate decision making by the market (Mather 2003: 51).

Bangladesh has been adopting a good number of governance reform programs for a long time following the prescription of multilateral agencies on the account of their aid conditions. Formation of Human Rights Commission, Separation of Judiciary, and Anti- Corruption Commission etc. are some notable reform efforts of governance process. There have been just structural changes but not qualitative development. Rather, corruption, misappropriation and misuse of power are badly established in the institutions.

Under reform programs markets have been made now a bit free from regulation of state. Thus the volume of trading and capitals increase sharply; but syndicalism and oligopolies take places badly in the society that trigger the poor towards vulnerability and drive out them from homes to slums. Social crimes and income inequality are getting the common feature in the developing countries like Bangladesh. Markets of agricultural inputs have been turned into playing dolls of capitalists. So the price of inputs is hiking daily higher than that of farmers outputs that push them into a great peril. Price hike of industrial goods is another danger to the poor in the age of free market economy though millionaires are becoming billionaires through it.

There is a little regulation of private education and health care system in Bangladesh. Government doctors are available in their private chambers/hospitals, being absent from their due work stations. The charges and fees of education and health care services have already gone beyond the reach of low-income people both in urban and rural areas in Bangladesh. When privatization and deregulation took places as governance reform programs, they were advocated as the blessings for Bangladesh; but today they are being regarded as burden. A private school fixes BDT 300-5000 for monthly tuition fee for elementary classes; whereas government primary schools provide completely free education. Let's move to health care service in Bangladesh, it is viewed that a patient has to pay BDT 400-1200 as consultation fee a private clinic or hospital; whereas only BDT 20 is paid for ticket fee in government

hospitals for one time - this is about 50 times more which is hazardous for the poor. All service sectors (telecommunication, postal service, transportation, and housing) are currently running followed by international rules of free market economy. This economy increases the volume of capitals; but the poor becomes marginalized day by day. Growth based economy increases its multiple horizons, though living standard doesn't come out from backwardness.

In its 1994 report, the World Bank clearly identified four major components of government reforms. This cover

i) **Public Sector Management:**

This includes civil service reforms (e.g. Downsizing professionalism) Product financial management and state enterprise sector (e. corporatization, privatization)

ii) **Accountability of Government:**

This implies macro level accountable (political, administrative) and also its reinforcement by micro level accountability through decentralization or participation and competition; decentralization of government; financial accountability.

iii) **Legal Framework for Development:**

This includes formulation of clear laws and efficient legal institutions o set of rules securing property rights, governing civil and commercial behavior and limiting the power of state all this clearly aimed at private sector development.

iv) **Transparency and information:**

These rogues are access to information essential for competitive market economy. The government values transparency i.e. to rely more on market mechanisms for economic management: transparency in privatization: beneficiary participation in program design and employment freedom of the media and making public process more opened (e.g. public procurement tenders)

So, the bank agenda of governance reforms covers economic, social, administrative/ government and political domains.

Governance reforms in Bangladesh are not so effective – rather it is causing political unrest for a long time. Theoretically a good number of reform programs

have been adopted in various sectors but that function positively in very little scale. For instance, privatization and decentralization process are on good track – but reformed market mechanism and anti corruption watchdog cannot run very well in favor of masses. Rather, market syndicate, administrative centralization and corruption increase a lot in every sector. It is thought that government reforms would have the good advantage of globalization for the developing countries - but political authority in Bangladesh is hardly keen to reforms those in real sense for invisible causes. Bangladesh has already been regarded as corrupt country. Few number of government enterprises became denationalized since late 70s and 80s. About 27 private TV channels and 700 print media are operative in Bangladesh currently; but most of them are being manipulated in different ways. Theoretically there have been under reformed governance, but good governance is yet to be far reaching matter in Bangladesh – global authorities take care hardly in this connection- their follow up actions are not strongly effective.

NGO and Globalization

Non- Governmental Organizations (NGOs) are provided enormous funds to promote the goals of development. Their governance is no longer seen as the task of the state alone. States are expected to engage then in taking over many welfare responsibilities and development functions, which the former may withdraw from. Many development programs of the state are required to be executed by the voluntary sector. In many cases, there is an attempt to provide state funding too. Increasingly, however external funding of NGOs is on the rise. Many of them have their own agenda and interest to look after, though others may be able to advocate public interest in an effective manner (Arora 2002a). About 15,000 NGOs are running in Bangladesh. Of them, about 5,000 are fully registered and the rest are unregistered or quasi-registered. Majority of the registered NGOs are funded by external sources and function with social programs. They enjoy tax exemption for their non- business nature. But the reality is different. Actually the NGOs are involved in business activities indirectly. Their interest rate of microfinance is about 25-47 percent which may not be regarded as social service only-it may be considered as one type of banking activities. Besides, many of them are directly involved in business activities (BRAC, ASA, CARITAS, TMSS, and PROSHIKA). NGOs in Bangladesh play a vital role in making public policy - because they implement

sometimes the desires of funding agencies. It is observed that the role of NGOs in poverty reduction is very little and living standard of the poor changes just in documents. Rather, conflicts in family life and vicious circle of loans emerge as a new trouble; although women are becoming empowered remarkably. The people of grass root level have been getting conscious through NGO activities; but they all are trapped by debt web. The clients of NGOs repay the loan by another loan. They are moving over the circular way of debt. It is viewed that some educational and health care programs are being carried out by NGOs; but people are benefited unremarkably.

Further, in the context of globalization there is reorganization of institutional jurisdictions which involves creating space for the private sector, NGOs/CSOs on one hand and reorienting the state on market lines. On the other hand, adoption of neoliberal reforms makes it incumbent upon the state to push policy towards deregulation, privatization, selective state withdrawal, expenditure cuts and finally integration with the global economy (Arora 2002b). The third world Bangladesh push policy towards NGOs with other stakeholders. A good number of social services (education, health care, IT, women empowerment, legal support, fishing culture, horticulture) are pushed towards market lines.

Price, quality and availability of this service are fixed upon in market. Consumer liberty increases in the poor nation; but price like emerges as a great problem to the people of low income. Oligopolies and monopolist control the pricing system. It is currently thought that state should regulate market in several sectors under the international rules. Indeed, the commons gain market opportunity from state regulation at least in social sectors. For instance, public university charges tuition fees about 20 times less than that of private one in Bangladesh. The feature is almost same to other developing countries. NGOs provide social products at higher price, though they enjoy tax exemption in about all sectors. Actually deregulation and privatization are not completely applicable in service sectors. They may be suitable in manufacturing sectors.

Status of State Welfare Activities

The shape of welfare programs is affected by globalization in a broad sense. Welfare state refers to the transfer of resources by the state. Its basic rationale is

to prevent the exploitation. The traditional notion of welfare was characterized by charitable mentalists as in the relief of poverty. But the modern welfare state adopts a notion of citizenship based on entitlement. There is a shift in the welfare logic with the recent dominance of neo liberalism which blames welfare state for creating dependency and obstructing development and also for efficient delivery. Neoliberals consider the welfare state as destructive of growth and hence propose it dismantling the advocated a smaller but strong state with his scope. In the US, neoliberal/ conservative welfare reforms signify an attack on the new deal/ great society ideas of collective responsibility. Hence, emphasis is given on personal responsibility.

Welfare state is blasted for encouraging degrading forms of dependency. A barrage of rhetorical attack has helped discredit welfare and liberalism (Piven and Ehrenrich 2005). Actually it is not needed welfare service in the developed nations. Because, poverty and unemployment are desirably low there - moreover different types of allowances as social safeguards are implemented in those countries. It is really viewed that social welfare service is significantly essential to the poor nations as disability, poverty and unemployment are there regarded as serious problems. But external conditionality to reduce social welfare service is imposed on government constantly that declines the social allowances. It is thought that external pressure can be hardly considered the imposition to make a safeguard for the sake of marginalized people. Besides, social demands in the developing countries are unavoidable aspects to execute the welfare works.

Bangladesh is a country where several allowance programs (freedom fighter, education, elderly people allowances) and welfare works (food for work, money for work, subsidy for energy and farmers) are now operative that are regarded as safeguard to the marginalized people. But multilateral organizations impose different conditions with aids to cut subsidy and social allowance and Bangladesh government reduces subsidy on agriculture, food and other service sectors in every fiscal year accordingly. Work explores human potentials which lead a nation to sustainable development. But poor country like Bangladesh of 160 million people cannot provide them the minimum opportunity of employability. Besides, different social crisis demands welfare services strongly here. So, survivalism is a main subject; consideration of dependency is a minor one. Globalization is hardly applicable in this connection in Bangladesh.

Features of Bangladesh Democracy

Democracy is much-talked and most important political process in the world. Bangladesh could not attain such a democracy despite various pressures and efforts of different foreign agencies. Few countries (India, Brazil, Turkey, and Malaysia) are thought to be on the democratic way, though their standard is not in the level of the first world. Bangladesh has democracy but it is nominal; because its norms and values are too much weak. Global organizations aim to establish democracy in the south. But it is observed that Bangladesh cannot reach the goal yet due to the weakness of leadership, global barriers, faulty democratic institutions and social dilemmas.

Skeptics strongly differ and oppose imposition of the (western/US brand) democracy from outside and support nurturing of democracy from within, neoliberals are faulted for privileging Schumpeterian procedural democracy which view democracy as a set of rules and procedures devoid of specific content related to distributive justice or fairness in society, ignoring the ethical and normative content of idea of democracy (Boron in Panitch and Leys 2005: 28). The current global crusade for democracy is found to be more for setting up oligarchy rather than real democracy. Such regimes are variously described as low- intensity democracy. Pseudo democracy, illiberal democracy, restricted democracy, mechanical democracy, etc. are available. Periodic elections are held for gaining democratic legitimacy; but democratic norms and institutions are violated in a systematic manner by using money and muscle power, rigging polls, patronage-based support, rules by a coterie of leaders in parties, lack of inner party democracy, etc. (Singh 2005a).

Western brand democracy actually is hardly suitable for the countries like Bangladesh. It ignores basic economic and social rights. Besides, socio-economic and political structure and norms of Bangladesh are not similar to those. As a result, it has little capability to establish real democracy. Imposition of US brand democracy creates various complexities in our politics. Mass people cannot be provided justice, basic economic and social rights. Individualism, public opinion is here the far reaching matters. Public are harassed when they raise voice against the unjust of ruling class. It thinks it is all time perfect and it cannot be involved in unfair jobs. Verbally Bangladesh governing authority is always pro-people; but the members of it are mainly busy

with other interests or silly matters. If it is studied the historical background of its politics, everything will be clear that illiberal manners and muscle power create a vacuum within the democratic society. Ruling party tries to grasp power permanently-on the other hand, the opposition always tries to ascend power at any costs. Government sets the election commission and election arrangements such a method so that it may help coming to chair once again.

As a result, political violence between ruling and opposition parties is a common phenomenon before every general poll. Government cares the opposition too much little, for which agitation occurs continuously during the whole regime. Parliament boycott by opposition is a common feature in Bangladesh by which public interests are not placed to legislature and the problem of masses are mostly non-discussed and unidentified to be solved. The media and civil society can play an important role for democracy but they can work hardly for fairness due to different pressures. Actually they can be too much little strong and politically neutral. It is viewed that they are manipulated by a particular groups or involved in narrow interests. When money matters are the main factors to be leaders, politics is bound to get autocratic form. Currently politics is captured by money makers or business elites. They use the political power increasing the volume of their business capitals leaving the lower class people helpless. Finally real democracy is not prevailed at desired level in Bangladesh resulting in untold sufferings of the masses.

A radical restructuring of the contemporary globalization process is considered necessary to achieve genuine democracy at all level. It is affirmed that democratic values like human dignity, freedom, equality and justice cannot gain strength in a polity obsessed with neoliberal orthodoxy (Singh 2005b:128). Hyper globalized suggest strengthening of the current pattern of global governance; polished neoliberals wish to add a human face to globalization. But skeptic advocates restructuring of contemporary globalization process to promote democratic, equitable and sustainable development. Transformation suggests the mud for global democratic governance, cosmopolitan democracy and a catalytic state.

End Notes

ⁱ See Rashid and Rahman, (1998); p. 213.

ⁱⁱ Cf Cerny, (1996).

ⁱⁱⁱ See Barai, (1999). For details, after 1982 the government started liberalization measures in the form of denationalization and privatization of the banks with the hope of creating competition, increasing level of customer services and improving operational efficiency of the banking sector.

^{iv} See Barai, (1999). For good information, as regard to the policy issue, Bangladesh stands at a high plateau of even offering preferential treatment to the foreign firms. As it has already been seen that Bangladesh is pursuing a more liberal industrial and trade regime than many countries, the financial sector has been made more open as per the Financial Sector Reform Program (FSRP) started in 1989-90.

^v Cf. Bayes, (2011).

^{vi} See Bayes, (2011). To be pointed on this premise, let's think of a sub-set of the poor known as the 'ultra' or 'extreme' poor. This group stands with some distinctive features for which globalization can't be a flayed for their misfortunes. For example, this segment constitutes about one-fifth of all rural households in Bangladesh - embracing about 10 million people. A look at the life history of these households reveals the following features: average owned land is less than 10 decimals; a portion is headed by females; children are involved in paid works to supplement household income.

^{vii} See Bayes, (2011).

^{viii} See Kabir, (2005).

^{ix} Cf. Kabeer, (1994).

^x See Knodel and Debavalya, (1992).

^{xi} See Adnan, (1993); Kabeer, (1994).

^{xii} See Singh, (2009). More details, every nation, developed or developing, links its future with the status of the child. Childhood holds the potential and also sets the limit to the future development of the society. Children are the greatest gift to humanity. The parents themselves live for them. They embody the joy of life and in their innocence relieve the fatigue and drudgery in their struggle of daily life. Parents regain peace and happiness in the company of children. A child signifies eternal optimism in the human being and always provides the potential for human development.

^{xiii} Cf. Wilkinson and Hughes, (2000).

^{xiv} See Shiva, (1995:5). For better information, Shiva also objects to a social clause on the grounds that it would not challenge the cause of social and environmental degradation - free trade policies - and that it does not assert substantial social or economic rights, notably the right to work and the right to livelihood.

^{xv} See Ahmed, (2002).

^{xvi} See trajtenberg, (1990); Rublee, (1994).

^{xvii} Cf. Sunny (2012). The change in temperatures are melting polar ice caps, which is increasing sea levels and displacing human beings from various coastal regions around the world. Hence, the most sensible option is to significantly reduce emissions so that heating could be slowed down.

^{xviii} See as an international problem, the issue of climate change cannot be resolved without significant international cooperation and coordination. Moreover, international CO₂ reducing energy policies are largely country specific and dependent on different variables (Dinica, 2002).

^{xix} See Ahmed and Alom, (1990).

^{xx} See moreover, democracies around the world, where the majority of the earth's population currently live, regardless of their actual operational definition are ineffective in finding solutions for this eminent problem. Some common examples are the extreme minority representation of almost all green parties, around the world political stages (Hayward, 1995).

^{xxi} Cf. Government of Bangladesh, (2012).

^{xxii} See Rashid, (2009). For details, the act of adjustment in ecological, social, or economic systems in response to actual or expected climatic stimuli and their effects or impacts is known as adaptation. This term refers to changes in processes, practices, or structures to moderate or offset potential damages or to take advantage of opportunities associated with changes in climate.

Conclusion and Policy Implications

Conclusion has two parts such as findings summary and policy implications. The preceding chapters contain findings in details. In conclusion most important findings are stated so that the readers, researchers and policy makers can easily read out. Specific findings may help the state authority to formulate the relevant decisions. Research interests are grown if definite summary is included in a large scale writing work. Firstly, findings summary are described as follows:

- Globalization has presently been a natural and inevitable phenomenon. At the beginning stage global experts introduced the process as an economic philosophy so that it can work globally for a trade and economic growth. It is unable to bypass the process for a single nation as communication technology expedites the removal tasks of the state borders.
- Digital technology and English language play a vital role in expansion of globalization process. All nations of the world are currently connected by internet and tele network that makes the world a 'global village'. From individual to state authority all are touched with each other through communication technology. Moreover, it is noted that internet functions are operated mainly in English. It has been a leading instrument to advance the globalism system.
- International Governmental Organizations (IGOs) are influential factors for formulation the public policy across the world especially in the developing countries. They impose various conditions on the poor countries when aid, grants and loans are provided. These provisions are not massively contributive to sustainable development; but financial in flow from that is regarded as one kind of keys to development.
- A best outcome of globalization is to increase the trade volume across the world. Bangladesh has also been able to increase its foreign trade, though imports are increased more than that of exports. The rich nations are picking up the business advantages by around two-thirds of the global trading from globalization process.

- Globalization generates a large scale opportunity of FDI flow towards the developing countries. S. Korea, China, India, Singapore, Malaysia, Taiwan, Brazil are currently the big recipient nations of FDI that generally come from rich nations. Obviously, developed countries are also making profits at desirable level by investing their capitals.
- It is viewed that income inequality is a bad consequence of globalization across the world. Income gap between the upper and lower class and between urban and rural people increase alarmingly. The numbers of riches are on rise and on the other hand the poor people are also increased both in urban and rural areas. Globalization, in fact, functions for the generation of resources; but doesn't make any headache regarding their allocation with an equitable manner.
- Absolute poverty decreases, but relative poverty rises. Globalization process makes asset at a notable volume resulting in the enhancement of living standard. But, it creates an odd situation in the society by which family solidarity gets day by day vulnerability.
- Migration is a common matter in the age of globalization. It is observed that migration mostly occurs towards the developed and rich nations as employment matter is hereby a major factor. Along with the legal migration, asylum has presently been a troublesome aspect to the developed countries. Free market economy is eroding the border bars among the states causing migration hub.
- Public policy process, now a days, is not a matter of a individual nation, as external forces play a important role herein. Influential states, lending organizations, donor agencies (WB, IMF, ADB, WTO, IFC, and UNDP) impose different conditions along with aids and loans which put influences in the policy process in the developing countries.
- State autonomy, day by day, goes undermining – NGOs, civil society, business elites, big private enterprises, having autonomous authority, are being a parallel platform. In this situation, state and private organizations make an opportunist nexus causing a great hazard for masses. Of course, multinational companies are fueling that nexus marginalizing the low income people.

- Social welfare services are when left to market; the poor people become deprived more than the riches. Global authority always tries place their agendas on social service that recommend to decline through subsidy and allowance. Their prescription is to increase service growth grossly and it comes true, but advantages are gone to the favor of upper classes, not the poor.
- Price hike of essentials has been a gruesome matter in all kinds of society that is thought the consequence of globalism. Since market is autonomous or ally of state, it turns monopolist or oligopolies which hurt the poor people at every step.
- Technology transfer from developed to developing countries is regarded as a best company of globalization. Bangladesh is also a country which already gained a good number of technologies in the sectors of textile, pharmaceuticals, ship building and construction. These sectors generate a huge number of employment, especially three million of women get employments in apparel industries.
- (xix) Crime is an acute problem across the world. Murder, sexual violence, domestic violence, human trafficking, drug smuggling, illegal arms trade, corruption and extra judicial killing are the worst concern in Bangladesh like poor nations. Advancement of digital technology, borderless free market economy and ineffectiveness of International Criminal Justice are mostly responsible for violent crimes causing the mass people vulnerable, though elite classes are moderately secured being backed by state power.
- Global climate change has become a great concern and developing countries are, in this connection, mostly vulnerable. Industrial nations actually generate the three-fourths of the total carbons; but third world countries suffer the most. The carbon reduction conferences show how the reluctance of the developed countries pushes the poor nations towards the climate risks.
- Political power is day by day going to the control of the economic elites mainly in the developing nations. Market economy creates such type of dilemma and gradually political elites surrender themselves to economic leaders. It is true that basically political parties run through the financial contribution of the business classes.

- Cultural hybridization is a notable consequence of globalization. In oriental society, western culture is being injected to and its cultural heritage gets eroded or mixed. In this process social and moral values are diverted to a great threat. Life style of young generation is being changed rapidly which causes a one kind of socio-cultural conflict between old and new generations.
- Authoritative democracy emerges in the shape of democracy mostly in the developing countries. Dominating countries play the hidden role for their own sake in the name of different security agendas in this regard.
- Market syndicalism has become a great problem in the developing nations. Politically backed a few numbers of businessmen control most of the production, imports and prices of the essential goods that make the lower class people marginalized.
- Globalization erodes the social bondage- especially family structure and relations turned into negative forms. Nuclear family is getting popularity rapidly and elderly people and children are becoming helpless and isolated. Neo-liberal urbanization and industrialization hence play the key role.
- Young generation is being habituated or addicted on electronic social media (Face book, Twitter, Google+ and so on) that erode the will- power, moral strength, social responsibility, and study-will, etc. Meaningless romanticism, sexism, nudism, sexual violence, and religious mistrust take important social space.
- Good governance has currently become the most important issue across the world; but it cannot take the proper space in the third world politics. Actually dominating countries create a fog-web through different global policy (aid, loan) and hidden agendas that is running within a new colonial guise. On the other hand, this agenda makes one type of internal colonialism and complicated political environment in the poor nations.
- War and terrorism have become a great concern of the global authority. Wars of interest and terrorism for business and culture have been turned into a headache of both the North and South. Moreover, push violence is a great problem in the third world.

Policy Implications

Policy implications arise following the findings. Findings mainly belong to both positive and negative lessons. Problem-based findings lead the implications towards resolving guidelines as well as good impacts hereby on the society.

- It is essential to adapt with the inevitable process like globalization through producing human capital equipped with information and communication technology. Moreover, English language should be emphasized in the formal and informal educational levels, as global knowledge of all dimensions (ICT, research, business, economic diplomacy, and scientific subjects) are gained through it. All the developmental apparatus are internet- connected computer technology of which main language is English. Furthermore, such technology demands another essential factor which is power and energy and it pushes-up all sorts of technology to development.
- Despite of the pressures of both the external and internal forces, the service sectors (health, education, energy, telecommunication, and housing) should not be left to market line completely. Marginal people may be suffered from the costlier service charge; though business elite class would be undoubtedly benefited from private sectors steering the growth rate - but the poor get a little share from it. So, state authority is suggested to hold the main control of the service sectors in the age of globalization as well.
- There is a serious problem in trade section in the most developing countries regarding trade deficit. Trade imbalance in Bangladesh is still an aggrieved concern, though the scale of deficit is slowing down presently. So, trade balance is necessitated to sustain and boost the economy at a rapid manner. In the globalized era, the developed nations increase their export trade by about three-times more. Business diplomacy should be improved avoiding the narrow political outlook that is prevalent in present diplomatic activities in Bangladesh. Good governance and quality leadership are prerequisite to business and investment growth; strong democratic institutions are required hence to political stability.
- Foreign aids accompanied with various conditions are pulling behind our policy process causing gruesome constraints in good governance and development

discourse. It is said that only ten to twenty percent of national budget is dependent on foreign aids and that may be sharply beneficial to Bangladesh macro-economic management if it is avoided at a gradual manner. Malaysia and several countries of South America are almost self-reliant on their own resources now. If public finance (revenue management) management and FDI flow get positive base (advanced shape), the national fiscal budget may be appeared as a strong developmental instrument. Bureaucratic setbacks, herein, are suggested to change in a big pattern. Actually the challenges of globalization are centered with this negative foreign aid that should be averted substantially.

- Globalization brings a shining opportunity to Bangladesh like countries in overseas migration. Around one crore of labors are on employment in various countries, but most of them are unskilled and they income foreign currency less than that the labors of others countries. In each district, there should be set up a migration oriented technical training center and on the other hand, fraudulence in the process of manpower exports is to be completely ended. The diplomatic part of the nation has to come forward patriotically for the interests of labor migrants in all legal and other diplomatic matters. This is a contributory sector to remittance by which Bangladesh can face the global challenges and surplus population may be properly utilized.
- State is gradually getting declined of its autonomous power through global influences. It is viewed that state authority is getting obliged to give unethical advantages to some elite classes (business, media, civil society, and NGO) by withdrawing various interventions influenced by international rules. As a result, state turns dictatorship through the nexus with the then opportunist groups and same pictures are presently seen in many developing countries –they are being sometimes influenced by external patron countries and agencies. Mass people are here with helpless but nothing is to be done. So it is observed that democratic authority is transferred into various groups of the society, but syndicated state power turns autocracy leaving real justice and human rights vulnerable. In this regard, internal social forces have to be awakened as well as strong global governance (ICJ) is a crucial need.
- Income inequality is a severe problem in all nations of the world. Liberalism and deregulation in economic sectors made a haven for the business class to profitarianism, NGOs, media, civil society make money or take other opportunities

through various malpractice; for this reason, corruption has been currently a epidemic concern- where political leadership is in that unethical nexus. It is pathetic that global authorities are not strongly concerned with this discrimination, if they do not become hurt in their own strategic plans. When global authority remains inactive in state violence and corruption, resources in the developing nations are easily captured by the groups which are backed by state power throwing the marginal people into disastrous income equality. So, judiciary, democratic institutions, united social movement need to be fostered. Young generation being nationalist should stand against all kinds of irregularities existed presently in politics and economy, as globalization makes state authority a little bit autocratic (Syria, Egypt, Libya, KSA).

- Price hike of essentials is undoubtedly a threat to the lower and middle income people in Bangladesh caused by business syndicate which is inevitably derived from excessive liberalism policy. State authority must check market syndicate and even a business ideology has to be changed; so that business personality cannot be involved directly into political activities to gain his interests. If this policy is strictly followed, syndicalism will get declined and market price would be on rational track. Price hike always decreases net income causing undermined living standard.
- Crimes are on rise in all the society across the world which is generated from globalization as a by-product. Free market economy makes the availability of arms, drugs and sexual products to all walks of people. Teenagers and aged people are getting mostly vulnerable due to domestic and self-ruining crimes. Small scale conflict turns murders like crimes using fire arms and cross-border free trade hereby fuels the then gun-driven crimes. The programs based on consumer culture aired on the visual media are diverting young family members towards the nuclear family as well as relational conflicts affecting the junior and senior most family members. So it is necessary to build up a social awareness in constructing joint family and moral learning. State authority ought to take strong measures to stop smuggling (drug, arms, trafficking). Interference over judiciary is essential to end for the interest of rule of law and justice so that crimes can get downtrends.
- Social safety net is required to enhance as the number of destitute people is being increased alarmingly in the globalized world. Developed nations provide social safety allowances at a huge amount of national funds. So developing countries are

set to enhance the social allowances despite the global barriers. Moreover, subsidy, tax exemption should be continued for sustainable social development.

Further Research

Policy implications are suggested to be followed by policy makers as well as social workers. There is more scope of further research on the impact of globalization. Environmental governance, political violence, family change, cultural transformation, illicit cross-border trade and regional security, inequality and violent crimes are closely related to be impacted by globalization. These issues are getting vitality for more and more academic or non-academic research.

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Appendix

Annex 2.1

General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade (GATT) was a multilateral agreement regulating international trade. According to its preamble, its purpose was the "substantial reduction of tariffs and other trade barriers and the elimination of preferences, on a reciprocal and mutually advantageous basis." It was negotiated during the United Nations Conference on Trade and Employment and was the outcome of the failure of negotiating governments to create the International Trade Organization (ITO). GATT was signed in 1947 and lasted until 1994, when it was replaced by the World Trade Organization in 1995.

The original GATT text (GATT 1947) is still in effect under the WTO framework, subject to the modifications of GATT 1995.

Rounds

GATT held a total of nine rounds,

Name	Start	Duration	Countries	Subjects covered	Achievements
Geneva	April 1947	7 months	23	Tariffs	Signing of GATT, 45,000 tariff concessions affecting \$10 billion of trade.
Anneke	April 1949	5 months	13	Tariffs	Countries exchanged some 5,000 tariff concessions.
Torquay	September 1950	8 months	38	Tariffs	Countries exchanged some 8,700 tariff concessions, cutting the 1948 tariff levels

Geneva II	January 1956	5 months	26	Tariffs, admission of Japan	by 25%. \$2.5 billion in tariff reductions.
Dillon	September 1960	11 months	26	Tariffs	Tariff concessions worth \$4.9 billion of world trade.
Kennedy	May 1964	37 months	62	Tariffs, Anti-dumping	Tariff concessions worth \$40 billion of world trade.
Tokyo	September 1973	74 months	102	Tariffs, non-tariff measures, "framework" agreements	Tariff reductions worth more than \$300 billion dollars achieved.
Uruguay	September 1986	87 months	123	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc	The round led to the creation of WTO, and extended the range of trade negotiations, leading to major reductions in tariffs (about 40%) and agricultural subsidies, an agreement to allow full access for textiles and clothing from developing

			countries, and an extension of intellectual property rights.
			Tariffs, non-tariff measures, agriculture
Doha	November 2001	159	The round , labor is not yet standards, concluded. environment, Bali Package competitio signed on n, the 7th investment December t 2013. transparen cy, patents etc

Annex 2.2

World Trade Organization

Members	
Members, dually represented by the EU	
Observers	
Non-members	
Formation	1 January 1995
Headquarters	Centre William Rappard, Geneva, Switzerland
Membership	159 member states
Official languages	English, French, Spanish ^[2]
Director-General	Roberto Azevêdo
Budget	196 million Swiss francs (approx. 209 million US\$) in 2011.
Staff	640
Website	wto.org

The World Trade Organization (WTO) is an organization that intends to supervise and liberalize international trade. The organization officially commenced on 1 January 1995 under the Marrakech Agreement, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. The organization deals with regulation of trade between participating countries; it provides a framework for negotiating and formalizing trade agreements, and a dispute resolution process aimed at enforcing participant's adherence to WTO agreements, which are signed by representatives of member governments and ratified by their parliaments. Most of the issues that the WTO focuses on derive from previous trade negotiations, especially from the Uruguay Round (1986–1994).

Principles of the trading system

The WTO establishes a framework for trade policies; it does not define or specify outcomes. That is, it is concerned with setting the rules of the trade policy games. Five principles are of particular importance in understanding both the pre-1994 GATT and the WTO:

1. Non-discrimination. It has two major components: the most favored nation (MFN) rule, and the national treatment policy. Both are embedded in the main WTO rules on goods, services, and intellectual property, but their precise scope and nature differ across these areas. The MFN rule requires that a WTO member must apply the same conditions on all trade with other WTO members, i.e. a WTO member has to grant the most favorable conditions under which it allows trade in a certain product type to all other WTO members. "Grant someone a special favor and you have to do the same for all other WTO members." National treatment means that imported goods should be treated no less favorably than domestically produced goods (at least after the foreign goods have entered the market) and was introduced to tackle non-tariff barriers to trade (e.g. technical standards, security standards et al. discriminating against imported goods).
2. Reciprocity. It reflects both a desire to limit the scope of free-riding that may arise because of the MFN rule, and a desire to obtain better access to foreign markets. A related point is that for a nation to negotiate, it is necessary that the gain from doing so be greater than the gain available from unilateral liberalization; reciprocal concessions intend to ensure that such gains will materialize.
3. Binding and enforceable commitments. The tariff commitments made by WTO members in a multilateral trade negotiation and on accession are enumerated in a schedule (list) of concessions. These schedules establish "ceiling bindings": a country can change its bindings, but only after negotiating with its trading partners, which could mean compensating them for loss of trade. If satisfaction is not obtained, the complaining country may invoke the WTO dispute settlement procedures.
4. Transparency. The WTO members are required to publish their trade regulations, to maintain institutions allowing for the review of administrative decisions affecting trade, to respond to requests for information by other members, and to notify changes in trade policies to the WTO. These internal transparency requirements are supplemented and facilitated by periodic country-specific reports (trade policy reviews) through the Trade Policy Review Mechanism (TPRM). The WTO system tries also to improve predictability and stability, discouraging the use of quotas and other measures used to set limits on quantities of imports.
5. Safety valves. In specific circumstances, governments are able to restrict trade. The WTO's agreements permit members to take measures to protect not only the environment but also public health, animal health and plant health.

There are three types of provision in this direction:

- Articles allowing for the use of trade measures to attain non-economic objectives;
- Articles aimed at ensuring "fair competition"; members must not use environmental Protection measures as a means of disguising protectionist policies.
- Provisions permitting intervention in trade for economic reasons.

Exceptions to the MFN principle also allow for preferential treatment of developing countries, regional free trade areas and customs unions.

Annex 2.3

Washington Consensus

This is the set of 10 policies that the US government and the international financial institutions based in the US capital believed were necessary elements of "first stage policy reform" that all countries should adopt to increase economic growth. At its heart is an emphasis on the importance of macroeconomic stability and integration into the international economy - in other words a neo-liberal view of globalization. The framework included:

- Fiscal discipline - strict criteria for limiting budget deficits
- Public expenditure priorities - moving them away from subsidies and administration towards previously neglected fields with high economic returns
- Tax reform - broadening the tax base and cutting marginal tax rates
- Financial liberalization - interest rates should ideally be market-determined
- Exchange rates - should be managed to induce rapid growth in non-traditional exports
- Trade liberalization
- Increasing foreign direct investment (FDI) - by reducing barriers
- Privatization - state enterprises should be privatized
- Deregulation - abolition of regulations that impede the entry of new firms or restrict competition (except in the areas of safety, environment and finance)
- Secure intellectual property rights (IPR) - without excessive costs and available to the informal sector
- Reduced role for the state.

These ideas proved very controversial, both inside and outside the Bretton Woods Institutions. However, they were implemented through conditionality under International Monetary Fund (IMF) and World Bank guidance. They are now being replaced by a post-Washington consensus.

Poverty Reduction Strategy Paper (PRSP)

The stated aim of the PRSP is to present a coherent strategy that helps poor countries to experience faster sustainable growth and achieve a substantial reduction in poverty. If successful, PRSPs could provide improved national coordination and higher levels of resources for comprehensive poverty reduction activities. As PRSPs prioritize spending that reduces poverty, the health sector is expected to benefit.

PRSPs replace the World Bank's Policy Framework Paper. Countries must produce a PRSP to qualify for multilateral debt relief under the HIPC (Highly-Indebted Poor Countries) initiative or to access concessional lending through the International Monetary Fund's Poverty Reduction and Growth Facility (previously called the Enhanced Structural Adjustment Facility). The PRSP approach came as a response to the criticism of Structural Adjustment Programs (SAPs) and the success of anti-debt campaigns. It is regarded by many as an important departure from the previous top-down approaches of the World Bank and as a shift away from the neo-liberal Washington consensus.

PRSPs describe macroeconomic, structural, and social policies and programs to promote economic growth and reduce poverty, as well as associated external financing needs and major sources of financing. The process of developing a PRSP starts with a country-based diagnosis of poverty. It then defines the poverty reduction outcomes a country wishes to achieve and the key public actions needed. The PRSPs should be conceived and authored by the government, which will outline its own development priorities and the strategies needed to achieve them. The process shows a greater emphasis on ownership, transparency and participation than previous approaches.

WHO research into the health content of PRSPs shows that they recognize the need to make health investments as part of an overall development strategy? This recognition is most typically manifested in strategies to extend health services, particularly primary services, and make them more efficient and responsive. However, this commitment is based on assumptions about what works to reach the poor, rather than a systematic evaluation of the specific needs in the local situation.

Structural Adjustment Programs (SAPs)

Structural Adjustment Programs (SAPs) are economic policies for developing countries that have been promoted by the World Bank and International Monetary Fund (IMF) since the early 1980s by the provision of loans conditional on the adoption of such policies. Structural adjustment loans are loans made by the World Bank. They are designed to encourage the structural adjustment of an economy by, for example, removing “excess” government controls and promoting market competition as part of the neo-liberal agenda followed by the Bank. The Enhanced Structural Adjustment Facility is an IMF financing mechanism to support of macroeconomic policies and SAPs in low-income countries through loans or low interest subsidies.

SAPs policies reflect the neo-liberal ideology that drives globalization. They aim to achieve long-term or accelerated economic growth in poorer countries by restructuring the economy and reducing government intervention. SAPs policies include currency devaluation, managed balance of payments, reduction of government services through public spending cuts/budget deficit cuts, reducing tax on high earners, reducing inflation, wage suppression, privatization, lower tariffs on imports and tighter monetary policy, increased free trade, cuts in social spending, and business deregulation. Governments are also encouraged or forced to reduce their role in the economy by privatizing state-owned industries, including the health sector, and opening up their economies to foreign competition.

One important criticism of SAPs, which emerged shortly after they were first adopted and has continued since, concerns their impact on the social sector. In health, SAPs affect both the supply of health services (by insisting on cuts in health spending) and the demand for health services (by reducing household income, thus leaving people with less money for health). Studies have shown

that SAPs policies have slowed down improvements in, or worsened, the health status of people in countries implementing them. The results reported include worse nutritional status of children, increased incidence of infectious diseases, and higher infant and maternal mortality rates.

An acceptance of the problems associated with SAPs is reflected in the post-Washington consensus and similar thinking that promotes economic reform while protecting and possibly increasing social expenditure. Stabilization measures are closely related to SAPs policies and are taken to reduce the national rate of inflation. They usually include cutting the budget deficit and improving the balance of payments. Such measures are often made a condition for HIPC countries to obtain fresh loans or further assistance and are therefore a part of the conditionality clause.

Original Sense: Williamson's Ten Points

The concept and name of the Washington Consensus were first presented in 1989 by John Williamson, an economist from the Institute for International Economics, an international economic think tank based in Washington, D.C. Williamson used the term to summarize commonly shared themes among policy advice by Washington-based institutions at the time, such as the International Monetary Fund, World Bank, and U.S. Treasury Department, which were believed to be necessary for the recovery of countries in Latin America from the economic and financial crises of the 1980s.

The consensus as originally stated by Williamson included ten broad sets of relatively specific policy recommendations:

1. Fiscal policy discipline, with avoidance of large fiscal deficits relative to GDP;
2. Redirection of public spending from subsidies ("especially indiscriminate subsidies") toward broad-based provision of key pro-growth, pro-poor services like primary education, primary health care and infrastructure investment;
3. Tax reform, broadening the tax base and adopting moderate marginal tax rates;
4. Interest rates that are market determined and positive (but moderate) in real terms;
5. Competitive exchange rates;
6. Trade liberalization: liberalization of imports, with particular emphasis on elimination of quantitative restrictions (licensing, etc.); any trade protection to be provided by low and relatively uniform tariffs;
7. Liberalization of inward foreign direct investment;
8. Privatization of state enterprises;
9. Deregulation: abolition of regulations that impede market entry or restrict competition, except for those justified on safety, environmental and consumer protection grounds, and prudential oversight of financial institutions;
10. Legal security for property rights.