

**Focus Writing**  
*Especially for*  
*Bank Written Exam*  
**Updated on 23.11.21**

Smart Preparation for Bank Jobs

## Topic List

**1. In order to retain or better its position in the global competition, RMG industry of Bangladesh should embrace digital transformation & technological changes - Do u agree or not? Provide logical arguments.**

**or, what changes should be embraced to better in the RMG sector?**

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**2. As FDI is very much crucial for the economy of Bangladesh to recover fast from the pandemic covid 19, necessary & prompt actions should be needed to attract FDI- explain with proper arguments.**

**or, what necessary actions should be taken to attract FDI in Bangladesh?**

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**3. In Bangladesh, due to covid 19 pandemic, the people who are in and below the poverty line have been affected the most - explain.**

**or, describe the impacts of covid 19 in the life of poor people in Bangladesh.**

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**4. To ensure food security in post pandemic Bangladesh what necessary steps should be taken?**

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**5. Critically discuss the adverse effects of covid 19 pandemic on the education sector in Bangladesh.**

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**6. Describe briefly the main stimulus packages Bangladesh government has announced to combat covid 19 effects on the economy.**

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**7. The youth employment progress in Bangladesh is now slow than ever due to covid 19 pandemics- justify the statement.**

**or, Describe the impacts of covid 19 in the youth employment of Bangladesh.**

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**8. Critically discuss the impact of covid 19 in the banking sector of Bangladesh.**

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**Q1. "In order to retain or better its position in the global competition, RMG industry of Bangladesh should embrace digital transformation and technological changes."- Do you agree or not with this statement? Provide your logical argument.**

**Or, what changes should be embrace to better in the RMG sector?**

***“When river starts running dry, start looking for water elsewhere”***

That's what the global readymade garment (RMG) industry has been doing lately- reimagining apparel production line-ups and integrating technology for cutting cost and competition. And it is sufficed to say that technological advancement and better efficiency are what the Bangladeshi RMG industry needs most. This can be done with Artificial Intelligence (AI) and in this way I completely agree with the statement.

The RMG industry in Bangladesh is celebrated as its leading (and dominating) source of export earnings. Our position in the global market as the second-largest manufacturer of garments is an accolade that we wear proudly, and the industry has provided immense support to the economic development of the country.

Month	Amount (Billion \$)	Month	Amount (Billion \$)
July	3.24	January	2.86
August	2.47	February	2.63
September	2.41	March	2.45
October	2.32	April	2.52
November	2.44	May	2.56
December	2.65	June	2.89

**Fig: Amount of Month Wise RMG Export in the Fiscal year 2020-21 (Source: BGMEA)**

AI, opposite to what is feared to be replacing people in the industry, can be used to embrace and create new opportunities. As far-fetched as it sounds, AI is a part of our daily lives: from Siri to Google search engine, to self-driving cars, customer service chat boxes and much more.

Brands in this modern-day market stay on the lookout for super vendors who have smaller lead times, shorter order runs, more styles and produce high fashion. For instance, An average order planning time with manual systems is 35-40 minutes and with an automated system is only 7 minutes, giving vendors an 80 percent time reduction in order planning. With this improvement, if a factory produces 10 styles/day the lead time will be reduced by 5 hours in a day, 125 hours in a month and over 1,500 hours in a year. With the amount of time saved, more styles of clothing can be planned in a year with existing manpower. With order quantity shrinking per style and number of styles increasing, vendors can ensure that their costs don't suffer.

When compared to 2016, there has been a 300 percent growth in investments in Artificial Intelligence capability in 2017 globally, as predicted by **Forrester Research**. An **IDC (International Data Corporation) research** has predicted that the AI market will become worth more than USD 47 billion in 2020 growing from an USD 8 billion market in 2016. In case of Bangladesh, re-branding and digitisation of the RMG industry to meet the global sourcing requirements will also require successful adoption on industry automation.

Apparel retail, specifically, e-commerce, is driven by the fashions trending globally. AI can help computers identify images and recommend those products online which the customer is more likely to buy. E-commerce and M-commerce platforms, through AI capabilities, are able to leverage the information available about the customers and their inclinations, similarities and differences in the kinds of applications and products they seek. AI intervention in merchandising can help companies to not just analyse large data volumes, but also predict consumer trends, making merchandising operation error free, and more aligned to the customer needs.

However, just like in a zero-sum game, what benefits business and industry, harms poor and marginal income groups. We will also have to take into consideration the possibilities of increased job loss and job replacement. Policymakers and industry practitioners will also have to adopt innovative measures to address these issues. In the competitive era of globalisation, the question is not whether or not we can sustain this position and adapt to the changing trends. The question is whether we are ready to embrace the technological change for a bigger gain.

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**Q2. "FDI is very much crucial for the economy of Bangladesh to recover fast from the pandemic Covid 19. So, necessary & prompt actions should be needed to attract FDI"- Explain with proper arguments.**

**Or, what necessary actions should be taken to attract FDI in Bangladesh?**

***"The Covid-19 has created an opportunity for Bangladesh to attract increased foreign investment. To seize this opportunity, foreign investors have to be allowed to easily repatriate their investment money or profits or transfer them to other locations."***

**-Honorable Finance Minister**

Global flows of foreign direct investment are likely to tumble 40 percent in 2020 from the 2019 level of \$1.5 trillion and another 5 to 10 percent in 2021, according to the **World Investment Report of the United Nations Conference on Trade and Development**.

Bangladesh Bank statistics showed that the net inflow of FDI in the first half of 2020 (calendar year) declined to \$1.19 billion from \$1.70 billion in the same period of 2019. The drop would sound out a warning bell to Bangladesh as it would have to make its laws simple and incentives attractive to attract foreign investors as it seeks to draw FDI moving out of China in the wake of the epidemic.

Fiscal Year	Amount (Billion \$)
2016-17	2.0
2017-18	2.5
2018-19	2.6
2019-20	3.9
2020-21	2.4

**Fig: Net FDI inflow of previous five years (Source: BB)**

The Covid-19 has created an opportunity for Bangladesh to attract increased foreign investment. To seize this opportunity, foreign investors have to be allowed to easily repatriate their investment money or profits or transfer them to other locations. Bangladesh expects a bigger inflow of FDI in the days to come as different nations plan to relocate their factories to countries like Bangladesh to bring down cost amid a cash crunch caused by the pandemic. This prompted the finance minister to write to the central bank to remove barriers in the banking sector to make investing in Bangladesh easier and repatriating funds and profits smooth.

But, that is not enough. According to **World Bank**, Bangladesh needs to increase private investment -- and especially foreign investment -- to raise productivity levels, diversify exports and accelerate economic transformation. There are signs that Bangladesh may be on the cusp of becoming a new frontier market for market-seeking foreign investment and possibly for efficiency-seeking foreign investment too. But old concerns and perceptions about Bangladesh's ability to accommodate and partner with foreign investors must continuously be addressed.

On the top of that, Improvements in infrastructure, governance and stepping up anti-corruption efforts will be necessary to enhance the business environment and attract FDI. Besides, issues like tax and foreign exchange constraints should be immediately addressed to boost the country's

investment climate and bring investment dynamics back to normal in the post-coronavirus era. Moreover, an overall reform of the country's regulatory framework followed by the introduction of consistent tax policies will significantly improve the business climate.

In a nutshell, we can say that, Bangladesh needs to quickly remove any barriers preventing growth in both domestic and foreign direct investment (FDI) in order to ensure the country's economic recovery from the ongoing coronavirus pandemic.

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**Q3. "In Bangladesh, due to Covid-19 pandemic, the people who are in and below the poverty line have been affected the most." - Explain the statement.**

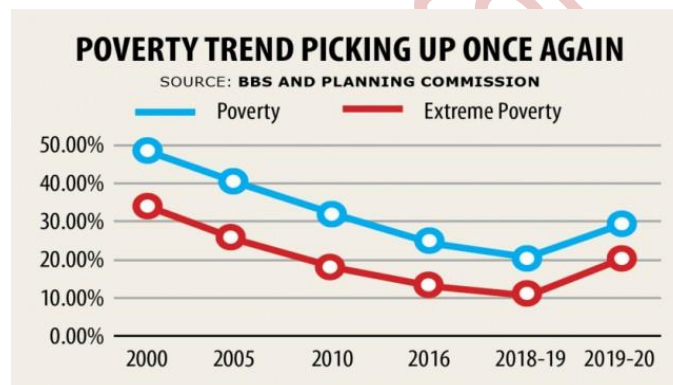
**Or, describe the impacts of covid 19 in the life of poor people in Bangladesh.**

***"To alleviate poverty, every country needs the invisible hand of free markets and the visible hand of good governance"***

**-Economist Amartya Sen**

Covid-19 has spread all over the world in a manner that is very unprecedented. Like most of the affected countries, Bangladesh has been compelled to impose a lockdown, resulting in people staying at home and restraining economic activities. There is no denying that the worst victims of the slowing down of economic activities are the poor people, many of whom are dependent on daily earnings and live hand to mouth.

Before the coronavirus crisis, the number of extremely poor people was falling globally. Now it is rising again, and fast. The reversal of past gains in poverty reduction caught most low-income countries in a dangerously unprepared situation.



In Bangladesh, the situation was no different. Just before the Covid-19 outbreak, the **Bureau of Bangladesh Statistics (BBS)** published a report suggesting that both headline poverty and extreme poverty fell in the country at the end of the 2018-19 fiscal year. But the optimism did not last long. In an August 2020 report, the BBS revealed that between July 2019 and June 2020, the national poverty rate rose by 9 percent (from 20.5 percent to 29.5 percent). Put differently, some 4.45 million more people were pushed into poverty within a year. Needless to say, the Covid-19 pandemic has accelerated poverty.

According to a **BRAC survey**, between February and April of 2020, the per capita daily income of people living in urban slums declined from Tk 108 to Tk 27. The decline was relatively higher for households above the poverty line. The income of restaurant workers dropped by 99 percent, followed by *bhangari* workers (88 percent) and rickshaw pullers (84 percent). Farmers and RMG workers too suffered income losses, but they were relatively less severe. Alarmingly, non-poor households are sliding down the poverty ladder too.

The depth of a crisis is best depicted by the rise of food poverty, when less income often means less food. Between February and June, per capita daily food expenditure declined from Tk 60 to Tk 45 for urban households and from Tk 52 to Tk 37 for rural households. In normal times,

members of a household would work extra hours as a coping tool for lost income. But when restaurants are empty, waiters are unwanted, and foot traffic is down in response to virus infection, the demand for rickshaw pullers and street hawkers shrinks to its lowest level.

Amid this chaos, the poorest section of society has been relying upon their savings, borrowing or buying groceries on credits, and most damagingly, cutting down on daily food intake. It is no surprise that, compared to personal coping mechanisms, supports from the social and institutional sources (e.g. help from friend/neighbour, NGO, or government) to attenuate the effect of adverse shocks on food expenditure were limited.

The daily lives of the working poor would be a lot easier had they not have to worry about non-food expenditures before things return to normal. The survey results show that the poor have to equally grapple with the costs of housing, doctors and medicines and utility, among other non-food expenditures. The severity of the chronic disease burden, especially in the CHT, is problematic and demands immediate attention.

The best antidote to poverty is a much faster economic growth. With the right policies, the economy can recover surprisingly fast, but the poorest will need help and government should facilitate them faster.

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**Q4. To ensure food security in post-pandemic Bangladesh what necessary steps should be taken?- Discuss your opinion.**

*"In a world where 1.29 billion people earn less than US\$1.25 a day; a world where 870 million men, women and children suffer from hunger and world where the global population is growing every day, food security is a pressing and urgent issue."*

**-Gilbert F. Hounbo  
President of IFAD (International Fund for Agricultural Development)**

The question of food security in Bangladesh is not a matter of the available stock of food grains in the country, but rather about the ability of the masses to purchase food grains during and after the pandemic.

A survey by **Khaddo Odhikar Bangladesh** found that 87 percent of the poor (50 million) people of Bangladesh are already in a serious food crisis due to the coronavirus situation. Therefore, ensuring food security should be a priority for the government and relevant national and multilateral agencies, especially since overall market activity across the country has already been severely affected due to Covid-19 restrictions and current floods.

The government has already taken certain steps to deal with the challenges of agriculture production and food security in the coming days. The government stimulus package, which was announced at the start of the pandemic in Bangladesh, includes Tk 5,000 crore worth of soft loans with a six month grace period at four percent interest (reduced from 10 percent) to different agricultural sectors, including seasonal flower and fruit, fisheries, poultry, dairy and livestock. However, this excludes the crops and grains sectors.

Other support from the government includes the waiving of advance taxes on feed for fisheries, livestock and poultry and the easing of Letter of Credit (LC) margins for essential commodities. Instructions have also been issued on prioritised customs clearance and movement from ports of food, feed and allied products, and temporary port-side storage facilities have been created. No official restrictions were placed on the transport of food, feed and agricultural inputs and processing accessories across the country, even during the lockdown.

However, there are still a number of possible effects that the pandemic could have on the food supply chain during the upcoming agriculture season. There is a risk of shortage of labour, shortage of inputs like seeds, fertiliser, pesticide etc due to disrupted international trade, especially imports, and limited capacity of farmers to store harvested crops. We could also be potentially faced with factory or facility shutdowns, port restrictions and congestion, leading to the spoilage of perishables vegetables and fruits, and increasing food waste due to a lack of refrigerated storage. Finally, there could also be delays of retrieval in capital investment.

All of these adverse effects may result in reduced incomes for the farmers, the destruction of supply chains due to panic buying, restricted access to food for low income groups and undernutrition of vulnerable groups. However, there are certain policies that can be followed to try and reduce these impacts and ensure food security. The government should immediately focus on increasing coverage of food distribution and supply and enhancing the benefits of country-wide social protection programmes. They should also collaborate with the international community to avert food shortages and price hikes by ensuring free trade and strengthening regional mechanisms for food security. It should be noted that the two to three million deaths in

the Bengal famine of 1943 were due to food supply disruptions, not a lack of food availability, so it is crucial that the supply chains continue to function effectively.

Farmers and agricultural workers should also be included in the government's assistance packages and any social protection programmes that are addressing the crisis. The government's substantial agricultural stimulus package should start giving loans and grants on an urgent basis, and primary agriculture inputs like seed, fertilisers, pesticide etc should be made available at affordable costs.

With the pandemic threatening to wreak even more economic havoc, governments must work together to address the risk of disruptions to food supply chains. More broadly, some modicum of global policy coordination is essential to prevent food protectionism from becoming the post-pandemic new normal.

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**Q5. Critically discuss the adverse effects of the coronavirus pandemic on the education sector in Bangladesh.**

*“As of 1 June 2020, globally, 1.2 billion learners (68.0 per cent of the world's total enrolled learners) were affected due to the education institute closure in 144 countries”*

-UNESCO

Bangladesh is no different. Since 17 March, all the educational institutes in the country have remained closed. Undeniably, the direct and most immediate impact of the Covid-19 on the education sector is the loss in learning opportunities. More than 36.0 million students (including 17.0 million in the primary) are now out of school.

According to an estimation given by South Asian Network on Economic Modeling (SANEM), before the crisis, 23.90 per cent (or 8.4 million) of the students' families were below the poverty line. As the crisis prolongs, SANEM find that as many as 43.90 per cent of the students' families could fall below the poverty line. Hence, there could be as many as 7.70 million additional students' families falling below the poverty line during this crisis, taking the total number of students below the poverty line to 16 million.

Such fallout in poverty from economic crises has long-term impacts. Emanating from the economic crisis there is a good chance that the country might see a resurface of higher rates of child-labours, child marriages- all phenomenons leading to higher dropout rates. As a result, out of the 16.0 million students from poor families - many might never come to schools ever again. Note worthily, the dropout rate in Bangladesh is still too high for secondary (37.60 per cent) and post-secondary education (19.60 per cent), according to BANBEIS. Nevertheless, the impact would be disproportionately higher for female students.

The crisis could also be more threatening for students with special needs (around 39,000). An estimate from SANEM suggests that almost 24.50 per cent of the students with special needs are from poor families. Due to the pandemic, more than 45.0 per cent of such students' families might fall below the poverty line. However, irrespective of their income status, with school closures, these children, might face additional challenges than like no others. When deciding on continuation of education, they could be the first to be left out of the school system.

After the pandemic, the crisis will not be any easy for the students remaining at school either. Due to fall in income at large, overall out-of-pocket expenditure in education will inevitably fall, particularly for the families from the lower-income deciles. Quality of teaching might also fall. Many students might shift from low-cost private schools to already over-burdened public schools. The low-cost private schools that serve the lower-middle-class families, and run on small margins, might face an existential crisis. Moreover, with a fall in pays, it could be the best teachers in schools who might switch jobs first.

In combating the loss in learning, one frequently suggested option is online teaching. However, going online for learning is not a feasible option for Bangladesh yet. There are around 5.0 per cent of the households who do not have a mobile phone. In the case of computer/tablet: only 5.60 per cent of the households have one. However, having computer/tablet is not sufficient: with only 38 per cent of the households having internet access at home (urban: 53 per cent and rural: 33 per cent) options for exploring this option seems bleaker. What's more, there is a clear regional and income dynamics at play here: rural areas and poorer regions have much less access

to these ICT than the urban and richer regions. This is also true for poorer households. Based on the latest survey by **SANEM**, around 12.70 per cent of the poor households do not have a single mobile phone. With such a high digital divide, going online for all would only widen the existing gap in learning inequality.

As the crisis prolongs and the economic impact deepens, so does the future of millions of students- the lower the income deciles they are from, the grimmer look their future. Socio-economic impacts stemming from Covid-19 will have long-term consequences. The lifetime income and productivity of the current age-cohort would be severely constrained if the government does not step in with bolstered short-term and long-term public policies.

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**Q6: Describe briefly the main stimulus packages Bangladesh government has announced to combat the coronavirus adverse effects on the economy.**

The celerity with which the stimulus package was announced and its wide ranging scope surprised many. Even in developed countries like America, it took weeks before finalising the stimulus package, hogged as it was in political wrangling. Compared to global record, the performance of Bangladesh has been nothing short of stellar, even exemplary.

Country	% of GDP	Country	% of GDP
Bangladesh	4.4	Maldives	2.8
Indonesia	4.0	China	2.5
Vietnam	3.4	Afghanistan	2.0
Pakistan	3.1	India	1.1
Malaysia	2.8	Sri Lanka	0.2

**Fig: Stimulus Packages as % of GDP (Source: finance ministry)**

To combat the economic and social crisis and to ensure recovery of the economy, the government announced 23 stimulus packages accounting for around 4.4% (1,24,053 crore Tk) of the GDP of the country. The main stimulus measures, taken so far, are as follows:

- (1) BDT 50 billion for export-oriented industries to pay the wage bill for three months. This stimulus package comes as 2-year loans to factory owners at 2% interest.
- (2) BDT 400 billion for banks to provide working capital loan facilities to the affected industries. Loans, under this stimulus package, are at an interest rate of 9%. While half of the 9% is to be borne by the borrower, the other half will be borne by the government as a subsidy.
- (3) BDT 200 billion for banks to provide working capital loan facilities to small (cottage industries) and medium enterprises. However, these loans are at an interest rate of 9%, 4% to be borne by the borrower, and 5% by the government as a subsidy.
- (4) A refinance scheme of BDT 50 billion for the agriculture sector. The Bangladesh Bank will charge interest of 1% from banks, and banks will charge 4% from customers. The loan will be repayable within 18 months including the six month grace period.
- (5) Under the Back-to-Back LC arrangement, the Export Development Fund of the Bangladesh Bank is increased from USD 3.5 billion to USD 5 billion to facilitate further import of raw materials. The interest rate is 2%.
- (6) BDT 50 billion pre-shipment credit refinance scheme by the Bangladesh Bank for local products and the export sector, under which the Bangladesh Bank will charge interest of 3% from banks and banks will charge 6% from customers.
- (7) BDT 27 billion stimulus announced to boost the cottage, small and medium enterprises, and to develop the living standards of people at the grassroots level.

Also, there have been some policy measures by the Bangladesh Bank to increase cash flow in the economy. Further, the budget 2020–2021 provides some support measures for returnee migrants.

There have been some social safety net programmes to address the growing poverty and vulnerability of the population as well.

There have been some guidelines in place concerning the aforementioned stimulus packages. In particular, the guideline for the disbursement of the BDT 50 billion stimulus package for the export-oriented industries, primarily the Ready Made Garments (RMG), mentions that businesses can avail of funds from the stimulus package at 2% interest to pay their workers' salaries for up to three months. The salaries must be paid through either a bank or a mobile financial service account. Management of export-oriented companies or factories must provide salary sheets, workers' lists, and their mobile banking accounts to banks so that salaries of workers can be directly disbursed. The banks, afterwards, will forward the same documents to Bangladesh Bank for reimbursement. The borrowers will get a six month grace period, implying that they will start paying back the borrowed money in instalments to the government from the seventh month of receiving the money.

The Bangladesh Bank also issued a guideline setting conditions for loan disbursement under the BDT 400 billion stimulus package. The conditions included maintaining a single borrower exposure limit, loan classification and provisioning rules, and the highest loan limits for both banks and clients. The Bangladesh Bank, in a circular, also asked banks to verify entities so that they can get authentication certificates from the Federation of Bangladesh Chambers of Commerce and Industries.

Bangladesh's stimulus package, in proportion to GDP, has been much higher than those of South Asian and Southeast Asian countries. However, it should be kept in mind that large stimulus packages are likely to be ineffective if they are associated with poor execution, unplanned allocation of funds, and weak accountability. All these three issues are extremely important for the effective implementation of the stimulus packages in Bangladesh.

**Q7: “The youth employment progress in Bangladesh is now slow than ever due to coronavirus pandemic”- Justify the statement.**

**Or, Describe the impacts of covid 19 in the youth employment of Bangladesh.**

***“It will not be wise to sit idle awaiting jobs, you (youths) have to be capable enough to create employment opportunities instead of running after jobs,”***

**-Honourable PM Sheikh Hasina**

The world is still struggling to combat the deadly coronavirus pandemic. The pandemic has brought severe adverse impact on every sector of the global economy as well as education and put the unemployed youth into deep trouble.

Being a developing country, Bangladesh has been fighting to create adequate job opportunities for its people, including youth for long. Despite a remarkable economic growth in recent years, the country has yet to do so, raising questions about the quality of the growth. As Bangladesh is gradually moving forward to adapt to the Fourth Industrial Revolution or Artificial Intelligence (AI), a lot of manual workers have already started losing their jobs due to increased automation. And now the Covid-19 has intensified their woes.

Since the outbreak of the pandemic, newspapers have published a series of reports on job losses due to shutdown or slowdown of economic activities. The job loss put a large number of young people into depression. The young job seekers are seen to pass their time with severe anxiety thinking the post-Covid-19 impact on the job market.

According to the **Statista** 2020 report, the unemployment rate in Bangladesh is 5.3 per cent. Experts and economists are now predicting that the rate will jump in the coming years. According to a **World Bank** report, one of every three graduates remains unemployed in Bangladesh. Can we imagine the consequences of this unemployed youth after the pandemic?

The appearance of emerging technology, globalisation, and now Covid-19 has seismically disrupted labour markets for youths and their chances of right, long term and meaningful jobs. Our youth labour market is highly vulnerable to economic cycles. At the same time, the experts said the youth employment is going to hit more negatively by economic shocks in the period of economic downturn. As a result, many jobs have already vanished while the new jobs leave behind many young aspirants. According to a recent joint report of **Asian Development Bank (ADB)** and **International Labor Organization (ILO)**, the youth unemployment rate was 11.9 per cent in 2019 and rose to 13.8 percent in 2020 in Asia and the Pacific.

**Bangladesh Civil Service (BCS)**, nowadays, has become considered as the most preferable and secured job for the youth regardless of their background as the country doesn't have sufficient placement in other standard job sectors. On December 31, 2019, Bangladesh Public Service Commission (BPSC) issued 41st BCS job circular, but the preliminary examination remained postponed for a long time due to the pandemic and held on 19 March, 2021.

Meanwhile, the academic life of the students will be a prolonged one. Though educational institutions have started classes physically (after a long time), the students are going to face acute session jam due to Covid-19. The deadly virus is now killing the age of many youth aspirants to build their career in government jobs, including the BCS.

**According to section 14 of BPSC Regulations**, a general applicant must have an age limit of 30 to take part in the BCS examination, which is 32 years for children and grandchildren of freedom fighters. In this backdrop, government job seekers are in tensed about the age limit of BCS for which they are now demanding to increase the age limit, although the demand is nothing new. Over the years, university students have waged demonstration and conducted an advocacy campaign for raising the age limit. Moreover, many prospective BCS applicants, who have finished their studies, would likely to cross the maximum age threshold soon.

Age limit in a government job has remained a debatable issue for a long. Along with more than 150 countries, India and some other south Asian countries have raised the limit to 35 years for the entrance in government service.

Bangladesh is committed to achieving the Sustainable Development Goals (SDGs) by 2030 and moving forward to become a developed country by 2041. For that, the incumbent government is taking significant steps to ensure decent jobs for the youth by creating different job opportunities by wage-earning and self-employment. Against the backdrop of Covid19, the government needs to come forward to create a special department with the public service commission to evaluate the unprecedented situation and take appropriate steps in this regard.

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**Q8: Critically discuss the impact of coronavirus in the banking sector of Bangladesh.**

***“A well-functioning financial system is fundamental to a modern economy, and banks perform important functions for society. They must therefore be secured.”***

**-Norges Bank, central bank of Norway**

COVID-19 simultaneously affects human body and mind, society, world economy and even breaks the concept of global village. All the achievements of medical science are failing to stop the pandemic. Only in four months of its outbreak the entire world economy become depressed. Like the rest of the world, Bangladesh is also experiencing the bitter experience of the effect of Corona. Like many other sectors, banking sector of Bangladesh is also seriously affected by the effects of Corona Virus.

Banking sector is the wheel of an economy. The health of the banking sector depends not only on policy of the bank itself but also the growth of all other sectors of the country. Again when the health of the banking sector deteriorates then growth of all other sector also affected. So, Banking is closely interrelated with rest of the wings of the economy. Due to the pandemic of Covid-19 and lockdown of the country, the different risks of the Banking sector are being surged which very alarming for the economy.

The major Risk the Bank will face is Credit Risk. The Non-performing Loan (NPL) of the Bank may rise in a new level due to this pandemic. Already most of the businesses have suspended their business operation due to lockdown. Export oriented industries are losing their confirmed orders as the foreign counter part's businesses also stopped. In this situation, the credit worthiness of the existing borrower will be deteriorated which block the possibility of repayment of loan. In March, 2020, Bangladesh Bank issued a circular not to change the classification status of the borrower up to June-2020 as country is affected by corona virus.

Another risk which may increase is Liquidity Risk. The Banking sector of our country has been suffering from crisis of liquidity in last one and half year. ADR/ IDR (Advance deposit ratio/ Investment deposit ratio) of most of the Bank were in high over the prescribed rate of central Bank. Bangladesh Bank had given time limit for the Banks to bring down the ADR within the prescribed limits but most of them failed to comply. Still some Banks could not bring down the ADR under the prescribe rate. Due to the effect of COVID-19 and result of economic downturn the fund flow will be reduced.

Bank is going to face further liquidity crisis. On the other hand, as the government declared stimulus will be arranged from Banks' own fund so Bank need additional fund to implement this. Bangladesh Bank has already increased the cap of ADR/ IDR 2% more to increase the lendable fund and to increase the liquidity of the banks. It has also reduced the CRR (Cash reserve requirement) from 5% to 3.5% in daily basis and 5.5% to 4% in bi-weekly basis.

But, due to the economic depression resulting from COVID-19, the income of the different organization has already reduced, buying power as well as income of individual will also supposed to be reduced which ultimately hit in the regular fund inflow of the Bank seriously. To cover up the financial crisis, depositors will withdraw the deposits which are very expected in such economic stagnant situation. Moreover, increase of NPL also negatively affects the fund inflow of the Bank.

Both the credit risk and liquidity risk directly affect the profitability, sustainable growth and finally the survival of the Bank. Significant real income of the Bank may reduce due to increase of NPL resulting from failure to regular recovery from loans. NPL not only reduce the income but also increase the cost of fund. Bank has to maintain additional provisions cut from income or reserve fund to offset the NPLs.

Minimum Capital requirement (MCR) of the Bank under BASEL-III will increase due to increase of Risk Weighted Asset. Liquidity crisis will reduce the investment opportunity of the Bank and so Bank face negative income growth. Liquidity crisis also wipe out the trust of the depositors. All this will reflect in the downtrend market value of the stock of the Bank which welcome another risk of the Bank is reputation Risk. CAMELS Rating and Credit Rating of the Bank will be deteriorate which ultimately weaken the position of the Bank.

To mitigate these negative impacts, Bank has to boost up recovery process; central bank may initiate restructure policy for the existing borrowers who are genuinely affected by Corona Virus. Bank may extend the repayment period by resizing the installment considering the borrower present repayment capacity. Different attractive deposit product may introduce to keep the fund flow, salary of all kinds of employees of different organization may give through Bank Account, Government has to ensure that fund of different government, semi government and autonomous bodies are deposited in different Banks at prescribed rate of the Bank.

Timely repayment of loan is not only a commitment of the borrower to the depositors but also it reduces the cost of the borrower. Government has to update the different law and rules relating to recovery. Some policies of banks also needed to be reformed. The impact of Covid-19 can be minimized if all the stakeholder of the Bank can work together with good intention.

Smart Preparations for Bank Jobs

**09. Describe the current state of economic recovery from coronavirus pandemic in the major economic indicators of Bangladesh.**

At a time when the global economy is in turmoil due to the coronavirus pandemic, most of the major indicators in Bangladesh offer cause for optimism over the country's economic prospects. Currently, apart from imports, the pandemic does not seem to have had too much of a detrimental effect on Bangladesh's economy. Let's take a look on the major economic indicators:

**REMITTANCE**

With a wave of layoffs and furloughs setting in the world over amid the pandemic, the inflow of remittances was widely expected to drop but instead, it is now on an upward trajectory. In the 1st half (July-December) of FY21, Bangladeshi expatriates clocked a new record in outward remittance by sending over \$12.95 billion amid the pandemic. The amount is 37 per cent more than the money received in the same period last year. In September alone, the expatriates remitted more than \$2.15 billion, the second-highest in a month after \$2.6 billion in July, according to the central bank's data.

**FOREX RESERVES**

Riding on the robust growth in inward remittances, Bangladesh Bank's foreign currency reserves also crossed \$42 billion for the first time amid the pandemic in the 2nd quarter of FY 2021. Currently the reserve has crossed the \$46 billion mark as on 31 October, 2021.

**STOCK MARKET**

After a long time, Bangladesh's capital market has also returned to a bullish trend. Aside from the gains in the key index, trading in the country's premier bourse has also seen an upturn, buoyed by renewed optimism among investors. The DSEX, the main index of the Dhaka Stock Exchange, dropped below 4,000 points in June in the midst of the epidemic. It has since gained momentum in the following months, closing at 5,000 points on Oct 1, 2020.

**BALANCE OF PAYMENTS**

Even in the midst of a pandemic, Bangladesh has a large surplus in its current account of the balance of payments (BoP), which shows the difference between a country's export earnings and import spending. The country posted a trade surplus of \$3.3 billion in the first two months of the FY21 (July-August), compared to \$204 million in the same period last year.

**EXPORTS**

After plummeting at the start of the pandemic, export earnings have since rebounded in time to time. In the Fiscal Year 2020-21, Bangladesh earned \$38.76 billion from exports, which is only 5 percent lower than the target and marks a 15 percent increase year-on-year, according to Export Promotion Bureau data.

**SAVINGS CERTIFICATES**

The government borrowed Tk 74.55 billion, or more than 37 per cent of the money it has targeted from the sales of savings certificates in the first two months of FY21. The net sales in

August alone amounted to Tk 75.46 billion or more than the net sales of July and August last year and the highest for a month in one and a half years.

## **PRIVATE SECTOR CREDIT FLOW**

The flow of credit to Bangladesh's private sector is also on track to recover from a decade-low growth after investments plunged amid the coronavirus pandemic at the end of fiscal 2019-20. Banks disbursed loans worth Tk 11.16 trillion at the end of August with a 9.36 per cent year-on-year growth, according to data from the Bangladesh Bank. Researchers and bankers have said that the credit flow is rising because the banks have begun to disburse loans from the government's coronavirus stimulus packages of more than Tk 1.2 trillion to cushion the economy from the effects of the pandemic.

## **IMPORTS**

However, while most other fields of the economy are beginning to gain positive momentum after the setback from the pandemic, imports are still lagging behind. During the first six months of FY21, Bangladesh's import bill stood at \$28.8 billion, a 0.8 percent year-on-year drop.

Finally, it is fitting to say that, Bangladesh continues to surprise the development watchers even during this pandemic. Despite COVID-19 infections persisting, there are visibly ample 'green shoots' in Bangladesh's economic recovery landscapes. In many ways, the country appears to be a 'contrarian' even in this world of recovery.

Smart Preparation for Bank Jobs

**Q10. Describe the importance of agent banking in the rural socio-economic life in Bangladesh.**

***The agent banking is helping Bangladesh boost inclusive banking and achieving the target of SDGs relating to the financial inclusion.***

**Dr KG Moazzem**

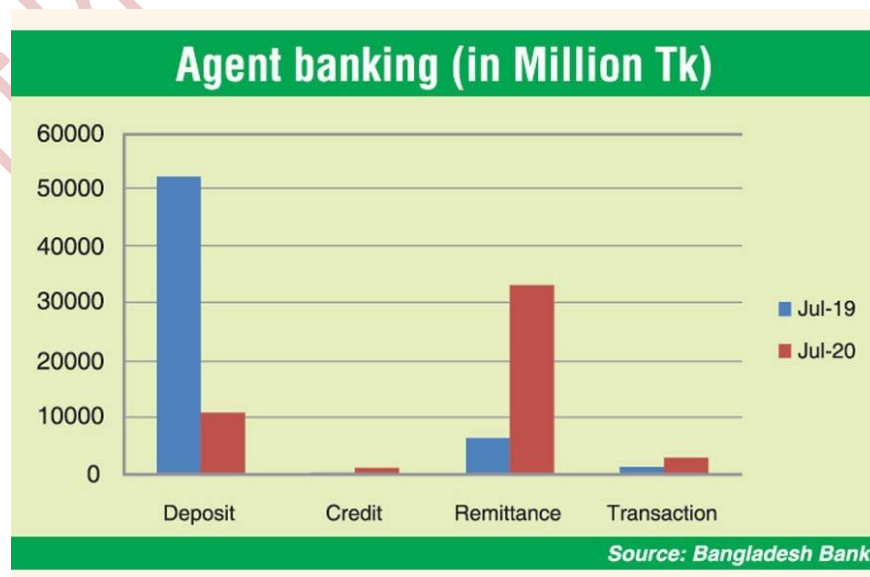
**Center for Policy Dialogue (CPD) research director**

The agent banking is a limited financial service for persons under a valid agency agreement rather than a teller or cashier. The rapid pace of agent banking is changing the rural economic landscape as millions of unbanked people are coming into the fold of the formal financial services.

An agent, who is a third-party, conducts banking transactions, such as cash deposit, cash withdrawal, account opening, account inquiries, small-amount loan disbursement, loan recovery, fund transfer and paying bills under the government safety net programme on behalf of a bank. According to the BB, the country's agents and their outlets for commercial banking services have become almost double within a year and a half reaching banking services to the doorsteps of the people living in rural and remote areas.

According to **BB**, In December 2018, the number of agents across the country was 5,101, which swelled to 9,180 in July this year. The number of outlets had also expanded to 12,861 in July 2020 from 6,932 in December 2018, the central bank statistics showed. Out of the number of banking agents and outlets, 85 per cent have been set up in the rural areas where commercial banks are scarcely available. The total transactions through the agent banks had expanded by 151 per cent to Tk 284.15 billion just within a year, the central bank statistics show. Between July 2019 and July 2020, the transaction had grown up by Tk 171.09 billion to Tk 284.15 billion.

During the last one year, the number of transactions, deposit balance, credit flow, inflow of remittances, utility bill payments, number of accounts, agents and outlets have seen a tremendous growth. The agent banking had not only brought the unbanked people under the disciplined financial transaction system, it has also kept a pivotal role in the rural economic expansion.



The agent banks had also facilitated the remittance inflow to the country, as the people in remote areas have now the access to these operators for getting remittances sent home from abroad. The agent banking had a big prospect in Bangladesh as lots of people are still unbanked. This has brought new opportunities for the country as many unbanked people had been brought under the financial inclusion. The agent banks are not only collecting deposits, but also disbursing loans, especially in the agriculture sector. These are facilitating the economic activities in villages. This system has increased the money flow and financial transaction in the rural economy and the given informal economic activities into a formal shape.

However, the commercial banks should extend their credit facilities in the rural areas rather than collecting the deposits only. Lower credit flow against huge deposit collection through the agent banking will hamper financial equilibrium as those money would be channeled to urban areas only. This is not an equal distribution. So, lending to rural areas will have to be boosted. The government also can utilise the agent banks for disbursing the COVID-19 stimulus package for the small businessmen and farmers.

At last we can say that, Agent banking, which takes banking services to the unbanked people in rural areas, has been going from strength to strength in Bangladesh.

Smart Preparation for Bank Jobs

**Q11. Describe the negative impact of climate change in Bangladesh. What is our part of doing to minimize the impact?**

*"There is a possibility that around four crore people of 70 Upazilas in 19 districts might be displaced due to climate change."*

**-Honourable PM Sheikh Hasina**

Since the 1980s, scientists have shown that climate is really changing and it is us, the humans, who are responsible for it. Since 2010, global temperatures have reached an all-time high; extreme weather events like torrential rainfall and hazards like forest fires have become more common; and catastrophes like cyclones and hurricanes started hitting our coasts more frequently, with greater strength.

There is no such thing as perfect data and if anything, it may have slowed climate action. First, it must be remembered that climate change, global warming or whatever terminology one wish to label our current condition, does not respect any geo-political boundary and has endless variables. Second, while the hot weather in Siberia may seem like an isolated incident, there is mounting evidence that human-induced climate change is coupling with weather patterns to create climate extremes across the world, and Bangladesh will receive the brunt of it. Last year the epicentre was the 20 percent of Australia's forest that burned, this past week it was a town above the Arctic Circle that faced the hottest day on record, and tomorrow a climate-based calamity may come knocking on my own door.

Country Name	Minimum Number of Deaths
China	247970
India	135970
Vietnam	10700
Bangladesh	9950
USA	8640

**Fig: Prediction of Probable Number of Deaths by 2050 (Source: Atlas.com)**

So, one thing is for sure, Bangladesh is exceptionally vulnerable to climate change. Its low elevation, high population density and inadequate infrastructure all put the nation in harm's way, along with an economy that is heavily reliant on farming. Because of the country's natural susceptibility to extreme weather, the people of Bangladesh have always used migration as a coping strategy. However, as conditions intensify under climate change, more people are being driven from their homes and land by more frequent and severe hazards. Sea level rise, storms, cyclones, drought, erosion, landslides, flooding and salinization are already displacing large numbers of people. It has been estimated that by 2050, one in every seven people in Bangladesh will be displaced by climate change. Up to 18 million people may have to move because of sea level rise alone.

In the context of Bangladesh, being inspired is one thing, but ground level action is another ball-game altogether. For example, forest cover in Bangladesh was to be increased to 20 percent by 2015, and that goal has shifted to 2021, with potential for further delays. It is critical to understand why such an ambition did not meet its original goal to ensure there is no a repeat of the same problem. We saw during the recent super cyclone Amphan how the Sunderbans acted

as a natural barrier to absorb its impact. Thus, it is pressing that we continue to increase the buffer zone for the UNESCO World Heritage Site. Furthermore, we urgently need to develop a wide green-belt of forest area along the coastal regions of Barisal, Nohakhali and Chittagong that will help increase our national carbon sink and buffer against cyclones.

Furthermore, countries like Bangladesh need to find greener solutions to energy production as opposed to archaic methods from finite resources. The argument that wealthy countries had access to cheap energy and therefore we should as well is retrogressive. It leads to unsustainable national growth that will plague our immediate and future potential. Other than retroactively amending national policy, we should make use of the Green Climate Fund through effective green innovation from strong public-private partnerships. Such innovation can be a paradigm for the rest of the world to follow. Moreover, using the highly effective Canada Fund for Local Initiatives is another way small NGOs can have greater national impact.

Finally, we should not forget that we are now living in the time of the sixth great-extinction on our planet, and this one is being caused by us. Regardless of the cyclical nature of attempting to solve the very problems we have collectively manufactured, individuals can still make a difference. We should not forget to turn off our gas stove when it is not in use, turn off lights and air conditioners when we leave the room and guide others along the way. Those small gestures still add up, and they still matter.

The one big lesson that the global Covid-19 pandemic has already taught us is that in every country where the leaders as well as the citizens have listened to the scientists and acted according to their scientific advice, the death toll has successfully been minimised. This lesson applies to tackling the climate change impacts which will continue for decades to come.

Smart Preparation for Bank Jobs

**Q12. Describe the upcoming challenges regarding graduation from LDC for Bangladesh.**

***"With indomitable courage, we move forward in the great road of development. Now it's time to stand with our heads high. Now it's our time, now it's the time for Bangladesh."***

**-Honourable PM Sheikh Hasina**

Bangladesh's stride towards graduation from Least Developed Country (LDC) list is a great pride for the nation. Bangladesh was the first country which meets all the three criteria i.e., national income per capita, human asset index (HAI), economic vulnerability index (EVI) for graduating from LDC country status at the 2018 triennial review and is expected to graduate by 2026.

As per the **United Nations (UN)** definition, the Least Developed Countries (LDCs) are those that have low levels of income and face severe structural impediments to sustainable development. On December 1971, the UN formally endorsed LDC criterion and listed the 25 LDC and Bangladesh was included in this category in 1975.

The Committee for Development Policy (CDP), a subsidiary advisory body of the United Nations Economic and Social Council (ECOSOC), is responsible for recommending for inclusion, reviewing and monitoring for country progress and graduating the status of LDCs. A "triennial review" takes place by CDP in every three years to identify any country that may qualify for inclusion into or graduation from the LDC category. As of 2018, 47 countries are included in the LDC category of which 5 countries have already been graduated from LDC.

Now, let's take a look at the **benefits** enjoying as a LDC country by Bangladesh:

1. Bangladesh enjoys 12% preferential margin on its export to the European Countries which provides a substantial price advantage over other countries.
2. Relaxation (One stage Transformation) in provision of rules of origin in exporting commodities to EU countries
3. Recipient of aid in absolute terms from the aid target of 0.15%-0.20% of donors' GNI.
4. Budget caps for LDCs' contribution to regular budget of UN, ILO etc.
5. Technology Transfer to the LDC under the article 66.2 of TRIPS (Trade Related Intellectual Property Rights.)
6. Assistance from LDC fund constituted under UNFCCC (United Nations Framework on Climate Change) to mitigate the effect of climate change.
7. Assistance under EIF (Enhance Integrated Framework) to strengthen the capacity of ministry of commerce with a view to mainstreaming global trade with national development plan.
8. Enjoyment of transitional period up to 2033 regarding patent provisions especially for pharmaceutical sector under article 70.8 and 70.9 of TRIPS agreement.
9. Various types of scholarships and fellowships for the citizens of LDC.
10. Travel incentives for the representatives of LDCs participating in conference or summit organized by UN or its bodies.

After graduating from LDC, Bangladesh will face an increased tariff structure in destination markets after graduation compared to the LDC duty rate. Thereupon, Bangladesh will also lose-

1. the preferential market access for goods (DFQF facility),
2. preferential treatment for services and service supplies,
3. special treatment regarding obligations and flexibilities under WTO rules,
4. IPR facility for pharmaceuticals,
5. official development assistance (ODA),
6. scholarships and other forms of financial support for education and research,
7. caps and discounts on the contribution of LDCs to the United Nations system budgets,
8. capacity-building for participation in negotiations,
9. flexibility in reporting requirements etc.

In a nutshell, phasing-out of preferences may substantially impact our economy along with the post COVID-19 new economic order.

One of the main challenges that graduating countries face is 'middle income trap'. It has been found in research that out of 48 LDCs 29 are of low income, 18 including Bangladesh are of lower middle income, only one of them is of high income and all graduating countries are still on middle income group. The persistence of this tendency among those countries indicates their economic vulnerability. This is the result of infrastructural weakness and inefficient human resource. To maintain a steady growth, nothing is alternative to proper and realistic policy making, especially in industrial and macroeconomic sector.

**Q13. What steps are needed to be taken for smooth and sustainable LDC graduation? Provide your logical argument.**

*"With indomitable courage, we move forward in the great road of development. Now it's time to stand with our heads high. Now it's our time, now it's the time for Bangladesh."*

**-Honourable PM Sheikh Hasina**

For Bangladesh, there is a burning issue which is its upcoming graduation from the group of least developed countries (LDCs). The Committee for Development Policy of the United Nations (UN CDP) is set to recommend taking Bangladesh out from the list of the least-developed countries (LDCs). The country has met, for the second time, all the three eligibility criteria for LDC graduation involving income per capita, human assets, and economic and environmental vulnerability. However, the exit now is to take place in 2026 instead of 2024.

Given its impending graduation, Bangladesh needs to be well prepared to tackle any likely adverse consequences arising from LDC graduation, particularly in relation to the export sector. Apparel exports, which have single-handedly propelled export growth, are under pressure due to the global economic downturn.

The loss of duty-free preferences in many different markets following graduation in 2026 -- such as Australia, Canada, India, Japan, the EU, and the UK -- would put severe pressure on Bangladesh's competitiveness. Therefore, as the global economy recovers from the pandemic, restoring and sustaining a robust export performance will be a critical factor in ensuring Bangladesh's smooth LDC graduation.

As export diversification has been a long-standing challenge, the imminent LDC graduation requires unleashing the export potential of various promising export sectors while sustaining and perhaps even expanding the export of readymade garments (RMGs). Moreover, graduation also demands that engagement with the country's trading partners is expanded and strengthened.

Given the graduation timeline, Bangladesh needs to take the relevant issues seriously. It can be noted that, only the EU allows an additional three-year transition period after graduation. This means that Bangladesh can continue to enjoy the current market access to the EU until 2029 even if it graduates in 2026. Bangladesh should, therefore, engage with other important preference-granting countries such as Australia, Canada, China, and Japan, urging them to follow the EU model of offering an extended transition period.

Another important point is that since India continued to offer the same market access to the Maldives even after the latter's LDC graduation, through a specific article under SAFTA, Bangladesh should enter into negotiations with India seeking the same concessions following its graduation as an LDC.

Overall, it is imperative to put forward a number of practical policy options and recommendations in dealing with the emerging and evolving circumstances arising from Bangladesh's impending LDC graduation. It is now important to debate and discuss these

recommendations and craft a detailed export strategy within the framework of a medium-term plan covering the period 2020-2030.

Along with the loss of preferential market access, Bangladesh will also lose many other policy concessions that it currently enjoys as an LDC. Therefore, it is of immense importance to consider how the available policy space can be best utilized over the next few years to develop a new policy framework geared to meeting all the challenges the country will face following its graduation from LDC status.

Collectively, the country's think tank community can be a source of useful support for policy-makers in charting a future course of action to ensure a smooth and sustainable LDC graduation. It is important to recognize that Bangladesh seriously lacks capacity in matters relating to trade policy, trade negotiations, and implementation-related issues.

Rather than lose any further time, work should begin immediately on developing a comprehensive, coherent, and implementable policy framework addressing the multiple challenges that Bangladesh will face in the lead up to LDC graduation and the decade thereafter.

Smart Preparation for

**Q14. Briefly Describe about the SDG & its goals along with Bangladesh's developments in achieving the goals.**

***"Transforming our World: the 2030 Agenda for sustainable development."***

**-SDG motto**

The 17 Sustainable Development Goals adopted by **United Nations General Assembly** on September 25, 2015 are a universal consensus to end poverty, eradicate inequality, protect the globe, tackle the climate change and make sure that all people of the planet enjoy peace and prosperity. Most of the goals are present in Bangladesh. We have kept our foot into the age of sustainable development goals with the aim to make development inclusive.

Containing 17 goals with 169 targets, the SDGs maintain a wide range of sustainable development issues. These goals cover poverty and hunger eradication, health and education improvement, more sustainable cities formation, oceans and forests protection, climate change adaptation, provision of all human rights, implementing gender equality implementation and women empowerment herald in all levels etc. The SDG agenda is an action plan for the planet, public and conglomerated thriving by chasing down to invigorate universal peace and freedom, and ending poverty from everywhere. Therefore, all of the goals generally, have been realized by pertaining both as ambitions and as challenges to all countries.

Let us now visit the Sustainable Development Goals (UNGA, 2015):

01. Ending all category of poverty everywhere;
02. Ending hunger, ensuring food security and nutrition, and promoting sustainable agriculture;
03. Ensuring healthy and sound lives and promote wellbeing promotion of all at all ages;
04. Ensuring quality education inclusively and equitably and creating learning opportunities for round the life;
05. Empowering all women and girls and achieving gender equality;
06. Available and sustainable water and sanitation management to be ensured for all;
07. Affordable, sustainable, reliable, and modern energy to be ensured for all;
08. Ensuring inclusive, sustained, and reliable economic growth, full and inclusive employment provide decent work for all;
09. Building resilient infrastructure, foster innovation and promote inclusive and sustainable industrialization;
10. Minimizing income inequality within and among countries;
11. Cities and human settlement to be made inclusive, resilient, safe, and sustainable;
12. Ensuring sustainable production and consumption patterns;
13. Combat with climate change adaptation and its impacts ;
14. Conserve the seas, oceans and marine resources for sustainable development;
15. Restore, protect, and ensure terrestrial ecosystems with sustainability, combat desertification, manage forests, and reverse land degradation and loss of biodiversity;
16. Promotion of inclusive and peaceful societies for attaining sustainable development, accessibility of justice by all, and building accountable, inclusive and effective institutions at all levels;
17. Strengthening implementation means and revitalizing the global partnership to ensure sustainable development.

Bangladesh has made some developments for achieving the SDGs. In the last 15 years, with limited resources, Bangladesh has witnessed one of the fastest reductions in poverty anywhere in the world. The country has met the target in reducing the proportion of population below the national poverty line (**currently 20.5%, Bangladesh Economic Review 2020**) three years ahead of time. It has reached the targets in reducing infant mortality rate from 92 per 1000 live births in 1990 to 46 now; and in decreasing the prevalence of underweight children less than five years of age from 66 percent in 1990 to 32.6 percent at present. In terms of education, the country has achieved nearly 100 percent enrollment in primary schools; and attained gender parity with more girls than boys in primary and secondary schools. It has also met the targets in preventing malarial deaths and in raising the share of people using an improved drinking water source.

As one of the top performing countries in terms of reaching the Millennium Development Goals, Bangladesh is equally confident in embracing the new SDG targets and the Prime Minister has expressed her deep commitment to achieving these before the year 2030.

Smart Preparation for Bank Jobs

**Q15. Describe the challenges regarding SDG implementation in Bangladesh & recommend some solutions to overcome these.**

*“The main challenge for Bangladesh as well as other developing countries is to fill the financing gap before achieving the Sustainable Development Goals (SDGs).”*

**-Honorable President Abdul Hamid**

The SDGs, which were built on the UN's previous MDGs, seek to address issues of economic growth, education, health, social protection and climate change. The SDGs were adopted by the world leaders in September 2015 and came into effect in January 2016.

Bangladesh's performance in the initial years was not that much encouraging. It scored a rank of 120 out of 157 countries in the SDG Index and Dashboards Report 2017 by the **UN Sustainable Development Solutions Network**. Its overall performance on the index was 56.2, lower than the regional average score of 63.3. Bhutan, India, Nepal and Sri Lanka all scored higher than Bangladesh on the index, while Pakistan and Afghanistan scored lower. Bangladesh has a 'red' threshold on 10 of the 17 SDGs, indicating that it needs to overcome major challenges in order to meet the goals.

For implementing SDGs, there is a need for mobilising the domestic resources through imposing wealth tax, combating tax evasion and strong partnership between the government and the private sector is required to arrange funds. Innovative ways need to be explored to mobilise financial resources to implement the SDGs. In this connection, experts stress on addressing three issues including mobilising additional domestic resources, infrastructure financing and enhancing financial inclusion using technology. In fact, mobilisation of sufficient funds to achieve SDGs is a major challenge, especially for the least developed countries (LDCs). According to the **UNESCAP** estimate, financing SDGs requires an additional investment worth US\$1.5 trillion per year in the Asia and Pacific region, which is 5.0 per cent of the GDP of Asia Pacific countries.

Almost one-fifth of the time for implementing the 2030 development agenda has already elapsed. The LDCs would have to spend 16 per cent of GDP to finance the SDGs. This clearly suggests, in addition to national efforts, the need to strengthen cooperation for facilitating the achievement of SDGs through adequate resource mobilisation for all countries in the region.

SDG financing needs strong collaboration and cooperation between public and private sectors, facilitated by multilateral development banks. For Bangladesh, the country achieved the targets of Millennium Development Goals (MDGs) set by the **United Nations**. It has also achieved the distinction of transforming itself into a developing country from the status of a least developed country (LDC). At present, the main objective of the country is to achieve the targets of SDGs by 2030.

As such, the country needs wide focus on eradicating poverty and hunger, reducing inequality and taking climate action properly in achieving SDGs. Among the 17 goals of the global agenda, the four goals - no poverty, zero hunger, reduced inequalities and climate action - are very important for Bangladesh to implement the SDGs by 2030.

It appears that Bangladesh needs to address the four areas properly to get successes in implementation of the SDGs like it did in the MDGs. However, it is very difficult for the country

to reduce inequality, take climate action and ensure good governance. Obviously, these are the most challenging areas for Bangladesh to implement the SDGs.

Though the country has been posting modest economic growth consistently, income inequalities at individual level are making room for consumption inequalities. As such, the country needs to address all sorts of inequalities among the people, including inequality between men and women. If the inequalities are reduced, another goal- gender equality (Goal-5) of the agenda-will be largely achieved as one is related to the other. Alongside poverty eradication, Bangladesh needs to address hunger, particularly the problem of malnutrition as many children of even well-off families suffer from malnutrition.

There are, however, other challenges, too, on way to achieving the SDGs. The need for efficiency in public sector spending is a must to overcome many hurdles. Delays in project implementation have damaging impact on cost as well as on the intended benefits. Achieving the targets of SDGs demands concerted and collective efforts with strong political commitment at all levels. The 2030 Agenda comes at a time when Bangladesh has already kicked off its journey towards an upper middle income country by 2030 and a developed country by 2041.

The country incorporated priorities of SDGs in all development policies. It adopted an inclusive approach to development so that the poorest and the most vulnerable section of the country can be integrated into its national development efforts. As the country moves ahead, challenges in several areas, including in resource mobilisation and data management, need to be addressed. Nevertheless, let's hope that all these works are done on a priority basis to reach the SDGs targets on time.

Smart Preparation

**Q16. Define human trafficking with a real life example. Provide your logical recommendation to mitigate, if not, at least reduce trafficking to tolerable extent from Bangladesh.**

*"To alleviate poverty, every country needs the invisible hand of free markets and the visible hand of good governance"*

**-Economist Amartya Sen**

In late 2019, we learned of the harrowing plight of Suma Akter, a Bangladeshi woman in Saudi Arabia who secretly recorded and shared on social media her story of abuse and exploitation abroad. In Saudi Arabia, Akter said, her employer beat her and at one point poured hot oil on her hand. Later on, when she fell ill, Akter said her employer sold her to another person for 22,000 riyals, almost five lakh Bangladeshi taka. This is just one form of human trafficking.

Human trafficking is a crime; it involves exploiting someone – using them, capitalizing on their vulnerabilities – for the purposes of compelled labor or commercial sex by using force, fraud or coercion. It is an appalling crime that takes advantage of often desperate people, hijacking their dreams, and robbing them of their freedom, for profit.

On June 25, 2020 the **United States Secretary of State** released the 2020 global Trafficking in Persons (**TIP**) report; upgrading Bangladesh's ranking from Tier 2 Watch List to Tier 2. This significant step reflects Bangladesh's progress in combating human trafficking over the past year, including standing up seven anti-trafficking tribunals and taking action against recruiting agencies exploiting Bangladeshis seeking to work abroad. The Tier 2 ranking means the Bangladesh government is making significant and increasing efforts to meet the minimum standards towards the elimination of trafficking. But there is more work to be done to fully meet these standards, and put an end to this despicable practice.

The **UN Network on Migration** gave four recommendations for Bangladesh to take further action in its fight to secure freedom for victims of human trafficking:

First, employ the seven anti-trafficking tribunals to manage the 5,000+ cases filed under the 2012 anti-trafficking law, and swiftly bring traffickers to justice as detailed in the 2000 **UN TIP Protocol**. Until the legal stakes for criminals are visibly raised, trafficking remains a low-risk, high-profit endeavor. This must change.

Second, make the Bangladesh response to human trafficking victim-centered by prioritizing care for all victims, male and female, young and old. This means Bangladesh will need to allocate more government resources towards enhance care for survivors – in conjunction with the robust efforts of the NGO and donor community – and to ensure all victims receive adequate protections and care plans tailored to the medical, psychological, social, legal, and rehabilitation needs necessary to begin the healing process.

Third, strengthen measures to protect individuals seeking safe channels to work abroad. This includes continuing to enforce applicable laws for recruitment agencies, cracking down on businesses that inflate official recruitment fees set in place by government-to-government negotiations, and working to end the payment of these fees by workers and placing the burden on employers to pay these costs. When individuals take out a loan to pay recruitment fees, they

become acutely vulnerable to exploitation. This calculus, one that disadvantages employees from the start, needs to change entirely. Employers must do more to build accessible paths for safe migration.

Fourth, investigate and prosecute traffickers who are compelling thousands of people to engage in commercial sex acts, including because they were born in a brothel. The government should take immediate measures to carefully investigate reports of sex trafficking in licensed brothels, identify and protect victims.

All of this is genuinely hard work, and in the midst of the global COVID-19 crisis, the fight has only become more urgent. Traffickers are capitalizing on the chaos of the pandemic and we must hold them to account for their crimes. It is time for us all to prioritize the actions necessary to protect freedom.

Smart Preparation for Bank

**Q17. What do you understand by SSNP? To alleviation of poverty in Bangladesh, what roles does SSNP play?.**

*“The problem in very low income countries is often not so much deciding what is desirable in terms of safety nets, but rather determining what is feasible.”*

**-Smith and Subbarao**

Social safety net is a measure taken by the government in order to prevent the vulnerable section of its population to fall beyond a certain level of poverty. Social safety net programmes (SSNPs) are designed with the aim to provide support for the vulnerable section of the society. With a vision to prevent transmission of poverty from generation to generation, the safety net programs opt for a more efficient society in terms of the choices made by individuals.

The Social safety nets play both a redistributive and a productive role supporting moral philosophy as well as managing risks. These two are the major pillars that justify the existence of safety net programs. It should be mentioned at the outset that the safety net programs create a path towards poverty reduction in the long run. They do not reduce poverty directly; rather, these programs tend to reduce transitional poverty through ensuring proper nutritional intake, education, health care etc. In other words, the safety net programs are methods through which poverty is expected to fall through investment in human capital.

Total safety net programme grossly amounts to 12.08 per cent of the total public expenditure of the year, which is 1.8 per cent of the national GDP. In case of Bangladesh, in monetary terms, extent of safety net programmes is gradually increasing over the years.

<b>FY</b>	<b>SNP Budget (Billion Tk)</b>	<b>% to Budget</b>	<b>% to GDP</b>
2015-16	360	13.6	2.1
2016-17	409	12.9	2.1
2017-18	485	13.1	2.2
2018-19	644	14.6	2.5
2019-20	744	14.2	2.6
2020-21	539	17.8	3.1
2021-22	604	17.8	3.1

**Fig: SNP Budget over the last Fiscal Years (Source: Ministry of Finance)**

The government of Bangladesh views poverty from two broad perspectives – income poverty and human poverty. While income and employment generating programs/projects as well as direct transfers towards the poor are taken to address income poverty, the other type of projects/programmes to help human development are there to mitigate human-poverty like education, health, nutrition and water and sanitation programmes. The government identifies direct and indirect measures to address these two types of poverty. The direct measures are considered those that are targeted towards the poor while indirect measures are growth oriented and hence expected to leave indirect effects on poverty reduction. Safety nets are considered as direct measures and different safety net programmes are taken to address both income poverty and human poverty. Examples of indirect or growth oriented measures cover mostly infrastructure development and rehabilitation programmes.

The safety net programmes of the country addresses poverty mainly from the broad perspectives of education, health, vulnerability of some special groups, employment, special risk reduction, subsidy and micro-credit among the poor.

A major portion of the support through safety nets is provided as food assistance, covered through different categories of programmes like direct feeding programmes, employment creation programmes and others. Safety net programmes relating education of the poor targets increasing the number of primary school enrolment, reducing drop outs as well as increasing female student enrolment at secondary schools. The health programmes particularly focus on nutritional protection of women and children.

Bangladesh safety net programmes also provide support to the insolvent or wounded freedom fighters. A major portion of total safety net of Bangladesh goes to creating employment opportunities for the vulnerable poor, apart from other micro credit programmes that also aid employment creation. Reputation of the NGOs of Bangladesh in providing micro-credit to the poorest segment of the society played a role to ensure government-NGO collaboration in poverty reduction efforts. Safety net programmes in micro-credit is one such example. While transfers in the form of micro-credit are carried out by the government body PKSF, the government runs micro-credit programmes through the NGOs as well.

At last we can say that, there is a growing momentum for strategic strengthening and scaling up of social safety net strategy. An increasing number of policy actors within government and the development community are embracing this enhanced focus. It is imperative that this policy opportunity is utilized most effectively to ensure better and accelerated results on the ground.

Smart Preparation for Exams

**Q18. What is money laundering? Describe the present scenario of trade based money laundering in Bangladesh.**

***"It is not only that money laundering creates macroeconomic distortion, but it is largely destroying our country in various ways."***

**-Honorable Finance Minister**

Money laundering is the illegal process of making large amounts of money generated by a criminal activity, such as drug trafficking or terrorist funding, appear to have come from a legitimate source. The money from the criminal activity is considered dirty, and the process "launders" it to make it look clean.

A number of reports released by **Global Financial Integrity (GFI)** in recent times have pinpointed Bangladesh as being among the worst affected countries to the scourge of trade-based money laundering (TBML). According to **GFI's President Raymond Baker**, ***"Illicit financial flows are the most damaging economic problems faced by the world's developing and emerging economies."*** This means we are among the countries worst plagued by one of the biggest problems (among all the problems) out there that developing countries have to deal with.

According to **GFI**, USD 61.6 billion was siphoned out of Bangladesh between 2005 and 2014, which is equivalent to 25 percent of its GDP in FY 2016-17. Between 2008 and 2017, Bangladesh lost a staggering USD 7.53 billion per year on average to trade misinvoicing, which accounted for 17.95 percent of Bangladesh's international trade with all its trading partners during the period. In a more recent report, **GFI** revealed that USD 5.9 billion was siphoned out of Bangladesh through trade misinvoicing in 2015—and that Bangladesh is one of the top 30 countries in terms of illicit financial flows. Similarly, **Transparency International Bangladesh (TIB)** reported this year that some USD 3.1 billion or Tk 26,400 crore is being illegally remitted from Bangladesh every year. This amount would have deprived the government exchequer of about Tk 120 billion as revenue each year, which is significant.

In 2002, Bangladesh became the first country in South Asia to promulgate the Money Laundering Prevention Act in line with the recommendations from the **Financial Action Task Force (FATF)**, an intergovernmental organisation which combats money laundering. But experts have criticised the government's effort to implement the recommendations. Among those that are unconvinced with the government's work is the Asia/Pacific Group on Money Laundering, the global body that ranks countries. In 2016, the organisation even warned the government that Bangladesh was in danger of being branded as a "risky" country when it comes to money laundering and terror financing.

Yet, according to **Dr Iftekharuzzaman**, Executive Director of **Transparency International Bangladesh**, money laundering still enjoys impunity in Bangladesh. Any crime is bound to flourish when laws and regulations are not enforced and violators are not held accountable. This is exactly what has been happening with money laundering in Bangladesh.

As the finance minister himself said, money laundering causes various economic problems. According to one senior BB official, one such problem came in the form of the price of the US dollar seeing an upward trend in Bangladesh earlier in the year, when its price was actually declining in the international market. In the words of the official, "The price of the dollar has

increased against the taka because of a rise in money laundering. The Bangladeshi currency is being sent to Malaysia, Singapore, Australia, and Canada."

Yet, our government has decided that it will once again provide people the opportunity to whiten black money during the budget announcement. This, according to experts, incentivises money laundering. Besides that, lack of regulatory monitoring and supervision of financial activities of individuals and enterprises is allowing criminals to hide their actual financial reports. And in the absence of proper coordination between agencies (domestic and international), preventing financial crime becomes even more difficult.

Sadly, Bangladesh meets almost all the requirements necessary to make it a perfect victim of large scale money laundering—including the fact that its government's policies have fallen far short of disincentivising money laundering and have, in fact, facilitated it at times. That has mostly happened because the perpetrators of the crime have usually been "tied to the power structure" and hence have often "determined the terms" that have allowed them to get away with it.

Smart Preparation for Bank Jobs

**Q19. The world's sustainable development in future greatly depends on the grabbing opportunities offered from the Blue Economy.- Justify the statement.**

Oceans cover 72% of the surface of our blue planet and constitute more than 95% of the biosphere. Life originated in the oceans and they continue to support all life today by generating oxygen, absorbing carbon dioxide, recycling nutrients and regulating global climate and temperature. Oceans provide a substantial portion of the global population with food and livelihoods and are the means of transport for 80% of global trade.

Healthy oceans are essential for global food security, livelihoods and economic growth. The world faces one of the biggest challenges of the 21st century: how to feed 9 billion people by 2050 in the face of climate change, economic and financial uncertainty and the growing competition for natural resources. These multiple challenges require an integrated response and an urgent transition of the world economy towards a sustainable, inclusive and resource efficient path.

The Blue Economy conceptualises oceans and seas as “Development Spaces” where spatial planning integrates conservation, sustainable use of living resources, oil and mineral wealth extraction, bio-prospecting, sustainable energy production and marine transport. The economy offers a suite of opportunities for sustainable, clean, equitable blue growth in both traditional and emerging sectors:

**Shipping and Port Facilities-** 80 percent of global trade by volume, and over 70 per cent by value, is carried by sea and handled by ports worldwide. Shipping is the safest, most secure, most efficient and most environmentally sound means of bulk transportation – with declining rates of accidents, terrorist incidents, improving turnaround of ships and significant reductions in discharges to sea or emissions to air.

**Fisheries& Aquaculture** – The world has elevated recognition of the essential role of fisheries and aquaculture for food security and nutrition in the context of climate change and employment of millions of people, many of whom struggle to maintain reasonable livelihoods, especially in the developing world. In per capita terms, food fish consumption grew from 9.0 kg in 1961 to 20.2 kg in 2015, at an average rate of about 1.5 percent per year. Aquaculture under the Blue Economy will incorporate the value of the natural capital in its development, respecting ecological parameters throughout the cycle of production, creating sustainable, decent employment and offering high value commodities for export.

**Tourism-** Marine and coastal tourism is of key importance to many developing countries. As a worldwide export category, tourism ranks third after chemicals and fuels and ahead of automotive products. In many developing countries, tourism is the top export category. Higher education courses need to deliver a solid grounding in the specific skills needed to maintain and increase market share in a discerning and competitive global market.

**Energy-** In 2018 offshore fields accounted for more than 33% of worldwide crude oil production and this is projected to rise to 34% in 2025, according to **International Energy Agency (IEA)**. And almost half the remaining recoverable conventional oil is estimated to be in offshore fields - a quarter of that in deep water. Offshore electricity generation, mainly from wind, has increased rapidly in recent years. Methane hydrates, a potentially enormous source of hydrocarbons, are also being explored and tapped from the seabed. Oil will remain the dominant energy source for

many decades to come but the Ocean offers enormous potential for the generation of renewable energy – wind, wave, tidal, biomass, and thermal conversion and salinity gradients.

**Biotechnology and marine genetic resources-** Biotechnology market size will reach USD 775.20 billion by 2024, according to **Global Market Insights**. Marine biotech has the potential to address a suite of global challenges such as sustainable food supplies, human health, energy security and environmental remediation. Marine genetic resources like bacteria are a rich source of potential drugs. In the next stage, around 20-25 years from now and subject to technological breakthroughs, the blue biotechnology sector could become a provider of mass-market products, together with a range of high added value specialised products.

**Submarine mining-**The world is gearing up for the exploration and exploitation of mineral deposits on and beneath the sea floor. Industry, due to rising commodity prices, is turning its attention to the potential riches of polymetallic nodules, cobalt crusts and massive sulphide deposits; the latter a source of rare earth elements, such as yttrium, dysprosium and terbium, important in new ICT hardware and renewable energy technologies.

Lastly, Blue Economy may be stimulated by putting the right ‘enablers’ in place which are prerequisites that have to be in place to create an environment open to innovation and growth. This includes research and education but also spatial planning. With a view to improving food security, eradicating poverty and delivering shared prosperity, global leaders, ocean practitioners, scientists, and representatives from government, business, civil society, national and international organizations must come together to explore action-oriented partnerships, governance arrangements, investment frameworks and new financing vehicles to turn the tide not only on the health of Oceans but also how the resources of the sea could be used for economic emancipation.

Smart Preparations for Bank Jobs

**Q20. How Bangladesh can be benefitted from the Blue Economy & what are your recommendations to sustain the blue economy?**

The Blue economy approach emphasized that ideas, principles, norms of Blue Economy lend significant contribution towards eradication of poverty, contributing to food and nutrition security, mitigation and adaptation of climate change and generation of sustainable and inclusive livelihoods. Thus Blue Economy requires a balanced approach between conservation, development and utilization of marine and coastal eco-systems, all oceanic resources and services with a view to enhancing their value and generates decent employment, secure productive marine economy and healthy marine eco-systems.

**Sectors of Blue Economy**-Twenty four maritime economic functions have been identified from among the fishery, maritime trade and shipping, energy, tourism, coastal protection, maritime safety and surveillance for development of blue economy in Bangladesh. The following summarises maritime economic activities that have been identified and must be developed to harness the benefits of the blue economy;

Shipping	Blue energy (osmosis) and biomass
Coastal shipping	Aggregates mining (sand, gravel, etc.)
Sea ports	Marine genetic resource
Passenger ferry services	Coastal tourism
Inland waterway transport	Recreational water sports, yachting and marinas
Shipbuilding	Cruise tourism
Fishery	Coastal protection
Mari culture	Artificial islands
Marine aquatic products	Greening coastal belt/delta planning
Marine Biotechnology	Human resource
Oil and gas	Maritime safety and surveillance
Sea salt production	Ocean renewable energy

**Fig: Maritime Economic Functions (Source: Ministry of Foreign Affairs)**

It is needless to say that for most developing States particularly for Bangladesh, making transition to Blue Economy would entail fundamental and systemic changes in their policy-regulatory–management–governance framework(s) and identification of various maritime economic functions. Even the World Bank explicitly stated that the blue economy includes established ocean industries, such as fisheries, tourism and marine transport, as well as new and emerging activities such as offshore renewable energy, aquaculture, seabed extractive activities and marine biotechnology and bio-prospecting. Current economic activities and trends that exploit the ocean unsustainably need to be replaced by altered or even new economic practices and behaviour. For this, resistance of established interest must be overcome and – the second challenge – is necessary to invest in human capital. Individuals need to be trained to be able to work in the blue economy, thereby harnessing the employment and development benefits of investing in innovative blue economy sectors.

Blue Economy may be stimulated by putting the right ‘enablers’ in place which are prerequisites that have to be in place to create an environment open to innovation and growth. This includes research and education but also spatial planning. Additionally, Bangladesh needs to remove barriers to create better conditions for innovation and maritime economy to develop. Existing

funding instruments/mechanism are not good enough to support the development of Blue Economy.

Lastly, we need to encourage partnerships between, public authorities and economic players, in order to foster scale effects and mutually reinforcing learning and investment and to explore market opportunities worldwide for the international dimension of the blue economy.

To conclude, it must be easily said that the marine science community has given little attention to the role of the financial community in exploiting and managing the resources of the seas and oceans. Within the marine business community, investors have obviously been of great importance but systemic attention to their role in responsible ocean management is little. Policy makers at national and international levels should look to the financial sector seeking to involve them in a range of topics, from nature protection and social welfare to social entrepreneurship towards realising societal objectives.

Smart Preparation for Bank Jobs

**Q21. Describe the various platforms other than traditional banking by which financial inclusions are being carried out in Bangladesh.**

***"Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit and insurance—delivered in a responsible and sustainable way."***

**-World Bank**

Financial inclusion is crucial for a country's economy and in enhancing welfare and ensuring consumption leveling amongst underprivileged people. Less inclusive financial systems lead to income inequality and slower economic growth. A large number of people in Bangladesh are far from being granted access to basic financial services, making financial inclusion development an essential project in the country. Women, marginal farmers and informal sector enterprises are affected the most in this case.

Bangladesh Bank and the government have been extensively trying to expand financial services for disadvantaged groups for the past few years, but it has been challenging to implement. This is due to low literacy amongst rural dwellers, large population and high-interest rates. Out of the total financial inclusion figure in 2019, 25 percent are through banks, 23 percent through Non-Bank Financial Institutions (NBFI's), and an impressive 17 percent through mobile money (**Bangladesh Bank, 2019**).

There are various forms of digital platforms by which financial inclusions are being carried out—some of them are discussed below:

**Agent banking**

Commercial banks operate agent banking systems. This system offers a limited scale of financial services through engaged agents in rural areas. It allows the disbursement of inward foreign remittance, collection of cash deposits and withdrawals, utility bill payments, loan disbursement and more. Bangladesh Bank recently reported that, although, Tk 5,248 crores worth of savings have been collected through agent banking in Bangladesh in 2019, only about Tk 237 crores have been disbursed in the form of loans. That is only 4.48 percent of the total amount. Moreover, as of June 2019, out of the total amount of bank loans, only 10 percent have been given about in rural areas. This failure to comprise the rural population into the financial system indicates a foremost loophole in the system which may be solved through the wide-scale advent of **Fintech**.

**Non-traditional banking**

The introduction of microfinance programmes in rural Bangladesh led to the initial jump to a financially inclusive economy. Millions of people, especially rural dwellers, were granted access to credit, saving schemes and more. Afterwards, the development of Financial Technology (**FinTech**) in Bangladesh contributed towards the project of achieving a financially inclusive economy further. **FinTech** is an evolving global sector which utilises technology to revamp financial services for both consumers and businesses, resulting in a remarkable influence on economic activities. It offers innovative platforms for savings and borrowings such as agent banking. This takes out the bank branches out of the equation. Bangladesh Bank believes these activities may help alleviate liquidity and credit risks and, therefore, improve financial stability.

## Mobile Financial Services (MFS)

Digital Finance Services (DFS), a **FinTech** platform, allows individuals and businesses to have more hold over their personal finances and make timely decisions and transactions. This platform consists of a range of financial services which are accessed through digital channels like payments, savings, credit, insurance and remittances. Moreover, DFS also includes Mobile Financial Services (MFS). Using technology in business is one of the four core elements of the government's "**Digital Bangladesh**" vision. Since this was implemented, MFS has had the most significant improvement in years. With only the requirement of a national ID and mobile phone number, MFS allowed millions, who were financially excluded prior to this injection, to send and receive payments easily. bKash, Rocket and Nexus Pay are the top players of the current MFS industry.

## Banking applications

With the launch of the Smartphone apps by the industry players, many new features were introduced. Through the app, one can now instantly send money without having to visit a brick-and-mortar establishment. Moreover, people can now pay their utility bills, make merchant payments, recharge their phones and carry out other fundamental activities. The convenience gained through the usage of MFS has encouraged more people to utilise these services instead of relying on traditional banking services.

However, commercial banks have focused on digitising their services as well. People have benefitted greatly through banking apps and chat bots, launched in the recent years. Visiting bank branches for minor banking operations is no longer necessary as apps have a wide range of services to offer and chatbots which can automatically solve a client's frequently asked questions. Although, according to a **Bangladesh Bank** report, there are currently over 10,000 branches spread across the country. The high concentration of bank branches is deemed unnecessary and closure would greatly reduce the bank's costs given the high real estate costs in the country.

Financial inclusion in Bangladesh has significantly improved with the introduction of various non-traditional and mobile banking systems. This digital age demands uncomplicated access, convenience, efficiency and speed regarding financial transactions. It is apparent that banks need to reorient themselves to the fast-shifting dynamics of the industry. This might inevitably entail looking beyond the traditional banking model to satisfy different markets and a new clientele.

**Q22. Green Banking is necessary for sustainable development in Bangladesh in the near future.- Justify the statement.**

***“Climate change is one of the major risks threatening the well-being of mankind. How the banking and financial system operates will clearly have an impact on the way in which climate risk is managed or reduced.”***

**-Hong Kong Monetary Authority**

Green banking is like a normal bank, which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable development for future. It refers to the initiatives taken by banks to encourage environment friendly investment. Green banking is a proactive and smart way of thinking towards future sustainability.

Globally in the United States, green banks have been created at the state and local levels and the green bank concept was originally developed by **Reed Hundt and Ken Berlin**, as a part of the 2008 **Obama-Biden** Transition Team’s efforts to facilitate clean energy development. The United Kingdom, Australia, Japan, and Malaysia have all created national banks dedicated to leveraging private investment in clean energy technologies. Together, green banks around the world have driven approximately \$30 billion of clean energy investment.

Green banking is something not new in Bangladesh and this innovative banking system has been incorporated in Bangladesh since 2011. Green Banking refers to the banking business conducted in such areas and in such a manner that help the overall reduction of external carbon emission and internal carbon footprint. It is basically the paperless banking which doesn't harm the environment at all. It is also the finance of the banking project, service or trade in a firm or individual which doesn't pollute the environment in any way or causes any harmful elements or waste to the atmosphere. On-line banking, i-banking (Internet banking), ATM, CRM, POS, IDM, SMS service, finance in solar energy, etc., are the some examples of green banking technology in Bangladesh.

**Bangladesh Bank** (BB) issued the Environmental Risk Management Guidelines for banks and financial Institutions (FIs) in 2011 to assess environmental risk in their credit and policy guidelines for Green Banking for Banks. BB also introduced a uniform reporting format for reporting green banking activities in a structured manner for banks in 2012 and prepared the Policy Guidelines for Green Banking in 2013. To expedite the ongoing initiatives of banks and FIs at faster pace for sustaining the environment compatible to climate change risk, minimum target of direct green finance is set at 5% of the total loan disbursement/investment from January 2016 onwards for all banks and FIs.

To encourage compliance, various benefits have been offered by the government of Bangladesh and the country's banking sector regulator. For example, "**Financing Brick Kiln Efficiency Improvement Project**" was established by the **BB** with support from the **Asian Development Bank (ADB)** worth US\$ 50.00 million for local use to reducing greenhouse gas emissions and refine particulate pollution from brick fields.

All the commercial banks have already adopted green banking policy in their internal practice and also formed green banking unit to look after the green banking activities of the respective banks. A total of 569 branches have already been running under solar panel system up to June

2019, whereas 101 branches were running under the same system until 2012. Then no ATM booth was available under solar panel system but now 95 ATM booths out of 7015 are running under the same system. **(Source: BB)**

Paperless banking is one of the most important developments of green banking in Bangladesh. A sum of 9251 branches out of 10,342, i.e. 88.45 percent branches are rendering services under online facilities up to June 2019, whereas it was 3,042 out of 7,998 branches during 2012. Private commercial banks are rendering such services since long but government banks have made a remarkable progress after resumption of green banking policy in Bangladesh. **(Source: BB)**

A total of 3,688 branches of government commercial bank out of 3,762, i.e. 98.03 percent come into online services up to June 2019, whereas it was only 5.49 percent out of total 3,442 in 2012. In case of the private commercial banks, all 5,097 branches are rendering online services except only one and all 60 branches of foreign commercial banks are rendering the same since long. Furthermore, many banks are more advanced to decorate in their internal side as a green banking atmosphere. **(Source: BB)**

Geographically Bangladesh is one of the most affected climate change countries in the world and the people of Bangladesh have been suffering for years from it. Bangladesh Bank has the legitimate right to mould the actions of the banks and it is able to coerce all banks to put into action green banking policy to subdue its own environmental pollution as well as a commercial bank through the country. If we all are well aware about our environment, we can save and change our risky climate through green banking initiative and investment.

Smart Preparation for Bank Jobs

**Q23. Describe briefly about Vision 2041 of Bangladesh. Also mention the main visionary targets associated with it.**

***“I invite all, irrespective of political affiliations, with a clarion call to be a part of this journey (Vision 2041) towards building a better future of a prosperous Bangladesh.”***

**-Honourable PM Sheikh Hasina**

Deft economic management and strong political leadership of Prime Minister Sheikh Hasina helped Bangladesh achieve a decade of 7 percent average GDP growth, crossing the Lower Middle-Income threshold in 2015, and meeting all criteria for graduation out of LDC status. Buoyed by these successes, the Government is now set to launch a program to realize the dream of Father of the Nation Bangabandhu Sheikh Mujibur Rahman to have a country that is free of poverty, where economic and social justice prevails, and where there is shared prosperity. Accordingly, the government has adopted Vision 2041 that is a continuation of Digital Bangladesh Vision 2021 and seeks to take the nation to the development path dreamt by Bangabandhu. Specifically, Vision 2041 seeks to eliminate extreme poverty and reach **Upper Middle-Income Country (UMIC)** status by 2031, and **High-Income Country (HIC)** status by 2041 with poverty approaching extinction.

Over the next two decades, Bangladesh will experience an accelerated pace of change that will be rapid and transformational. It will have to cope with rapid transformational shifts in agriculture, trade and industry, in education and healthcare, in transportation and communication, and in the way we work and conduct business. Rapid growth will be balanced with an emphasis on equitable distribution of the benefits of growth for all, especially the poor and the vulnerable. While these goals are pursued with vigour, the Government will ensure that key natural resources like land, water, forestry, natural habitat and air are used in a manner that avoids their depletion and degradation.

The two principal visions are-(a) Bangladesh will be a developed country by 2041, with per capita income of over USD 12,500 in today’s prices, and fully in tune with the digital world; (b) Poverty will become a thing of the past in “**Sonar Bangla**”. The transition—indeed transformation—can be realized through a process of rapid inclusive growth leading to the elimination of poverty while increasing the productive capacity, building an innovating knowledge economy and protecting the environment. The associated visionary targets for 2041 are summarized in the table below.

<b>Indicators</b>	<b>Benchmark FY20</b>	<b>Target FY31</b>	<b>Target FY41</b>
Real GDP Growth (%)	8.19	9.0	9.9
CPI inflation (%)	5.5	4.7	4.5
Gross Investment (%)	32.76	41.15	46.9
Total government revenue (%)	10.47	19.55	24.15
Exports Growth Rate (%)	5.0	11.65	11.0
Imports Growth Rate (%)	5.0	12.05	10.0
Remittances Growth Rate (%)	9.0	4.50	2.0
Extreme Poverty (%)	9.38	2.25	0.68
Poverty (%)	18.82	7.02	2.59

**(Source: lged.govt.bd)**

The challenge is formidable and the stakes are high. Setting an ambitious goal is the starting point of a long journey that will require steadfast resolve to stay the course while making hard political and economic choices. Achieving high growth with shared prosperity requires coordination of cross-cutting policies and synchronization of multi-sectoral programs aimed at achieving the final outcome. Moreover, for Bangladesh to become a prosperous, developed and poverty free nation by 2041, the Government must play a leading role in creating an adaptive national system for collective, whole of society planning, adaptation, action and learning through collaboration among policymakers, private sector, academia, skills development organizations and development partners.

High growth, job creation, and reduction of poverty and inequality are the final outcomes that are built on foundations of sustained macroeconomic stability which in turn demands effective tax and expenditure policies, savings mobilization and investment growth focusing heavily on transport, trade, and energy infrastructure, to raise productivity of firms engaged in economic activities.

For reaching high-income status in two decades, there is no alternative to investing in human capital development for raising educational quality and deepening skill development programs to support the innovation-driven knowledge society of the future.

Smart Preparation for Bank Jobs

**Q24. Describe the role and importance of banking industry in the economy of Bangladesh.**

***“A well-functioning financial system is fundamental to a modern economy, and banks perform this important function for society.”***

**-Norges Bank, Central Bank of Norway**

Commercial banks have been playing an important role in the economic development of Bangladesh. They provide investible funds to both the public sector, and specially the private sector. Further, banks have played a significant role in respect of the four major drivers of economic growth in Bangladesh- namely export earnings from the ready-made garments (RMG) sector; remittances sent by migrant workers; growth in the agricultural sector; expansion in Medium, Small and Micro Enterprises (MSMEs).

Bangladesh is an import-dependent country. It needs to import raw materials, accessories and machineries to foster development of the industrial sector, including the RMG sector. Banks have been facilitating payment, finance and risk management services to the sector.

In 2017 the private commercial banks' (PCBs) share in export finance was the highest (60 per cent) followed by state owned commercial banks (SoCBs). Within the apparel sector, the RMG sector received the highest proportion of financing from banks, and the volumes and proportions have increased between 2014 and 2017. Banks also play a major role in facilitating remittances by migrant workers.

Private Commercial Banks (PCBs) accounted for the largest share of agricultural credit followed by Specialised Banks (SBs), State-owned Commercial Banks (SoCBs) and Foreign Commercial Banks (FCBs) (**Bangladesh Bank Annual Reports**). Between 2001-02 and 2017-18, the Bangladesh Krishi Bank's total disbursement to the agriculture sector increased more than five times from BDT 15.63 billion to BDT 82.15 billion; and its total disbursement to the crop production sub-sector increased by about 3.6 times from BDT 8.59 billion to BDT 30.62 billion.

Between 2007 and 2017, around 3.86 million farmers received agricultural and rural credit. Around 3 million small and marginal farmers received about BDT 150 billion agricultural loans from different banks. Over 8700 farmers in the less-developed areas (haor, char, etc.) received about BDT 0.4 billion of agricultural and rural credit. More than 19,000 farmers in the three hill districts received around BDT 0.5 billion at only 5.0 per cent interest rate. About BDT 4.0 billion was disbursed among about 0.12 million farmers through over 15,000 open credit disbursement programs arranged by different banks. The BB undertook a special refinance scheme under which it provided BDT 5.62 billion credit through BRAC to 0.15 million share-croppers with limited access to banks. Also, the BB undertook special refinance schemes for the jute and dairy farming sectors (**Bangladesh Bank Annual Report 2018**).

To ensure adequate funding for SMEs, the Bangladesh Bank in 2010 formulated the "SME Credit Policies and Programmes" aimed at helping SMEs in achieving sustainable inclusive growth. Under this programme, the BB does not impose targets on commercial banks and non-financial institutions (NBFIs); rather the targets are independently decided by them. Since 2012, both the targets and actual disbursements have been increasing. During FY17, while the target was BDT 1338.6 billion, BDT 1439.7 billion was disbursed by all banks and NBFIs among 697,000 cottages, micro, small and medium sized enterprises. Women-led entrepreneurs received special emphasis, with 49,000 of them receiving BDT 45.1 billion.

The BB has been encouraging all banks and NBFIs to grant loans to women entrepreneurs at reduced interest rate (9 per cent). Also, it set up a dedicated women entrepreneur desk and instructed all banks and NBFIs to do the same, reserve 15 per cent of the SME funds exclusively for women entrepreneurs, provide credit to new women entrepreneurs in this sector, and sanction loans of at least BDT 2.5 million to women entrepreneurs with only personal guarantee but no collateral under its refinance facilities. At the end of June 2017, BDT 20.3 billion was refinanced to 19,098 women-led enterprises.

From the above discussions, we can say that, banks have contributed considerably in the process of economic growth of Bangladesh. However, their contribution would have been greater, if they had effectively addressed various challenges faced by the banking sector such as weak management, poor governance, lack of strong leadership, and non-compliance with ethical standards leading to various types of banking scams such as money laundering and NPLs.

Smart Preparation for Bank Jobs

**Q25. Describe briefly about the Padma Bridge & its importance for Bangladesh economy.**

***“The implementation of the Padma Bridge will bring about a revolutionary change in the country's road communication system”***

**-Honourable PM Sheikh Hasina**

The Padma Bridge is a multipurpose road-rail bridge across the Padma River to be constructed in Bangladesh. When completed it will be the largest bridge in Bangladesh and the first fixed river crossing for road traffic. It will connect Louhajong, Munshiganj to Shariatpur and Madaripur, linking the south-west of the country, to northern and eastern regions.

The construction work of the long-awaited Padma Bridge started in December 2015. The first span (superstructure) was installed on September 30, 2017 and the last was installed on December 10, 2020. The length of the double-deck Padma Bridge is 6.15 kilometres. Trains will run through the lower deck while the road will be on the upper level of the bridge.

A two-level structure was chosen for building the bridge, having significant advantages over a single level structure. These included segregated highway and railway envelopes to offer enhanced safety, improved operation, inspection, maintenance, and emergency evacuation procedures, as well as efficient provisions for utilities. With the railway in the lower deck, the structural depth beneath the railway is reduced, allowing the lengths of the railway approach viaducts for tie-in at the north and south banks to be minimized. With a two-level structure the construction cost is reduced, making the structure more efficient.

The multipurpose bridge also has many utilities built into it, including a gas pipeline, telecommunications and a high-voltage power transmission line. Additionally, it has emergency access points in order to facilitate evacuation of a train on the lower deck.

Estimated Project Cost	USD 3.868 Billion
Land Acquisition	About 1471 hector
Main Bridge Length	6.15 km
No. of Span	41
Each Span Length	150 m
No. of Pile	240+32= 272
Each Pile Length	128 m
Train Viaduct	532 m
Road Viaduct	3148.06 m
Approach Road	12.12 km

**Fig: Padma Bridge At a Glance (Source: padma.govt.bd)**

When the construction of the bridge is completed, the capital will be directly connected with 21 southern districts through road and railways. It is expected to boost the country's gross domestic product by 1.2 percent. According to economists, there are three direct benefits to the economy upon completion of the Padma Bridge:

First, due to the construction of a direct trade route with the south-western regions of the country, trade, commerce and investment of the region will expand.

Second, farmers will be able to transport their perishable products directly to Dhaka and other parts of the country, ultimately to the benefit of farmers financially.

Third, the entire nation will benefit from growth in trade and commerce as a whole, especially with India as the Mongla Port will become easily accessible.

The Padma Bridge project is being implemented with the country's own funds after the World Bank and other international lenders had cancelled financing over allegations of corruption, which were later found to be not true. By facilitating transportation across the river, the Padma Bridge is expected lead to the greater integration of regional markets within the Bangladeshi national economy.

Smart Preparation for Bank Jobs

**Q26. What is artificial intelligence? Describe different categories of Artificial intelligence with examples. Also mention the importance & risk associated with it.**

***“Artificial Intelligence is the study of agents that receive percepts from the environment and perform actions.”***

**-Stuart Russel & Peter Norvig**

Less than a decade after breaking the Nazi encryption machine Enigma and helping the Allied Forces win World War II, mathematician Alan Turing changed history a second time with a simple question: ***"Can machines think?"*** Turing's paper **"Computing Machinery and Intelligence"** (1950), and its subsequent **Turing Test**, established the fundamental goal and vision of artificial intelligence. At its core, AI is the branch of computer science that aims to answer Turing's question in the affirmative. It is the endeavor to replicate or simulate human intelligence in machines.

There are four different approaches that have historically defined the field of AI:

1. **Thinking humanly**
2. **Thinking rationally**
3. **Acting humanly**
4. **Acting rationally**

The first two ideas concern thought processes and reasoning, while the others deal with behavior.

Artificial intelligence generally falls under two broad categories:

**Narrow AI:** Sometimes referred to as **"Weak AI,"** this kind of artificial intelligence operates within a limited context and is a simulation of human intelligence. Narrow AI is often focused on performing a single task extremely well and while these machines may seem intelligent, they are operating under far more constraints and limitations than even the most basic human intelligence. Narrow AI is all around us and is easily the most successful realization of artificial intelligence to date. With its focus on performing specific tasks, Narrow AI has experienced numerous breakthroughs in the last decade that have had "significant societal benefits and have contributed to the economic vitality of the nation," according to **"Preparing for the Future of Artificial Intelligence,"** a 2016 report released by the Obama Administration.

**Artificial General Intelligence (AGI):** AGI, sometimes referred to as **"Strong AI,"** is the kind of artificial intelligence we see in the movies, like the robots from ***Westworld*** or Data from ***Star Trek: The Next Generation***. AGI is a machine with general intelligence and, much like a human being; it can apply that intelligence to solve any problem. The search for a universal algorithm for learning and acting in any environment isn't new, but time hasn't eased the difficulty of essentially creating a machine with a full set of cognitive abilities. AGI has long been the muse of dystopian science fiction, in which super-intelligent robots overrun humanity, but experts agree it's not something we need to worry about anytime soon.

Smart assistants (like Siri and Alexa)
Disease mapping and prediction tools
Manufacturing and drone robots
Optimized, personalized healthcare treatment recommendations
Conversational bots for marketing and customer service
Robo-advisors for stock trading
Spam filters on email
Social media monitoring tools for dangerous content or false news
Song or TV show recommendations from Spotify and Netflix

**Fig: Artificial Intelligence Examples**

In the near term, the goal of keeping AI's impact on society beneficial motivates research in many areas, from economics and law to technical topics such as verification, validity, security and control. Whereas it may be little more than a minor nuisance if your laptop crashes or gets hacked, it becomes all the more important that an AI system does what you want it to do if it controls your car, your airplane, your pacemaker, your automated trading system or your power grid. Another short-term challenge is preventing a devastating arms race in lethal autonomous weapons.

In the long term, an important question is what will happen if the quest for strong AI succeeds and an AI system becomes better than humans at all cognitive tasks. As pointed out by I.J. Good in 1965, designing smarter AI systems is itself a cognitive task. Such a system could potentially undergo recursive self-improvement, triggering an intelligence explosion leaving human intellect far behind. By inventing revolutionary new technologies, such super-intelligence might help us eradicate war, disease, and poverty, and so the creation of strong AI might be the biggest event in human history. Some experts have expressed concern, though, that it might also be the last, unless we learn to align the goals of the AI with ours before it becomes super-intelligent.

There are some who question whether strong AI will ever be achieved, and others who insist that the creation of super-intelligent AI is guaranteed to be beneficial. As we recognize both of these possibilities, we also recognize the potential for an artificial intelligence system to intentionally or unintentionally cause great harm. We believe research today will help us better prepare for and prevent such potentially negative consequences in the future, thus enjoying the benefits of AI while avoiding pitfalls.

**Q27. What do you mean by F-commerce? Describe its scope in Bangladesh especially in the current pandemic situation.**

F-commerce refers to conducting online business activities on a Facebook page or Facebook application. F-commerce also refers to sharing information on Facebook about purchases, whether a customer uses the Facebook “Share” feature on an e-commerce site, or whether he or she shares information on Facebook about offline purchases made at a physical point of sale. The principle of F-commerce is creating a new mode of consumption on the web: social shopping.

F-commerce has been thriving in the last few years in Bangladesh thanks to the huge size of the Facebook audience, which has now reached nearly 40 million, placing Bangladesh among the top 10 Facebook-freak nations, according to experts. More than 3 lakh stores run operations based on Facebook, with over 1,000 running their business through only the social media platform, which accounts for more than 80 per cent of all social media users in Bangladesh. Although there is no specific figure of the F-commerce market size in the country, it may range from Tk 300 crore to Tk 350 crore per year, according to industry people.

Bangladesh 10 <sup>th</sup> largest country in terms of Facebook users (40 million)
Dhaka alone has 20 million active users
F-commerce market size is Tk 300 to 350 crore
Over 3 lakh stores operate on Facebook
Around 500 pages do business during mango season
About 200 pages sell hilsa fish
Some platforms spend \$10 to \$50 each per day to boost pages
Nearly 60% businesses are founded by women

**Fig: F-commerce situation in Bangladesh (Source: The Daily Star, 25 December, 2020)**

With the option of boosting sales by paying Facebook, which automates the paid user's ads to show products that are tailored to each person's interests, many youths, especially women entrepreneurs, started selling goods or services using the world's largest social media platform. But at the onset of the pandemic, many such entities were closed because of the lockdown that put in place movement restrictions, making the platforms unable to deliver the products. Another major reason was the closure of air routes that almost stopped the supply as most F-commerce platforms sell imported products such as cosmetics, skin products, clothes, shoes, watches, luxury items and tech gadgets.

However, amid the adversary, there was a boom in the opening of new F-commerce businesses as people lost their jobs and ventured into this business using skills and innovation focusing on selling homemade food items, organic vegetables and fish, medicine, etc. At this crisis moment, women have come forward and started businesses using Facebook. They have taken up the helm of running the family by helping to overcome financial difficulties brought on by the pandemic. They are selling a lot of products with their skills, labour and talent. Demand for river fish, haor fish, hilsa fish, organic dry fish, meat, organic foods, herbal products for health and beauty, dry fruits, fresh fruits, special spices, pickles, vegetables from hill tracts, beans, seeds and lentils swelled at the pandemic time. Since the virus came to this country, people are more inclined towards safe foods. The upper-class and the middle class are willing to spend extra money for organic food. This trend will continue even in post-pandemic times.

Women & E-commerce Forum (WE)
Wholesale Mall BD
Market Bangla
TimTom Paradise

**Fig: Pioneer Business Entities in F-commerce Business Platforms (Source: The Daily Star, 25 December, 2020)**

The most important thing in this business is gaining the trust of the customers. For that, keeping promises, handing over the right products, delivering products on time, and focusing on overall customer satisfaction - these are the key issues.

With more than three-quarters of all online information coming from individual human beings today, much of it within social networking sites, finding ways to do business inside those environments has become big business. And, that's where the importance of F-commerce lies.

Smart Preparation for Bank Jobs

**Q28. Describe the present poverty situation in Bangladesh. To alleviate poverty and achieve sustainable development Goal-1 what recommendations do you suggest?**

*“My priority is to establish this country as a poverty-free country. We have a long way to go – we have to do more. When I have been able to establish this country as a poverty-free country, a hunger-free country, a developed country, perhaps at that time, perhaps then I may say I am proud.”*

**-Honourable PM Sheikh Hasina**

Bangladesh is both an inspiration and a challenge for policymakers and practitioners of development. While the income growth, human development and vulnerability reduction efforts to date have been extraordinary, Bangladesh faces daunting challenges with about 20 million people still living below the poverty line.

Bangladesh has done pretty well in cutting income poverty. The Seventh Five Year Plan (2016-2020) - a document that reflects national hopes and aspirations at least for five years - in its preamble put poverty reduction as one of the perennial goals. Ipso facto, the plan aims to bring down overall incidence of poverty from about 25 per cent of 2015 to about 19 per cent in 2020, and extreme poverty from about 13 per cent to about 9.0 per cent during the same period. Despite cutting extreme poverty, however, from 34 per cent in 2000 to 13 per cent today - a laudable achievement, 20 million people still groan under extreme poverty - living on an amount of Tk 45 at the highest a day!

Incidence of Poverty %	20.5
Incidence of Extreme Poverty %	10.5

**Fig: Poverty Situation (Estimated), 2018-19 (Source: Bangladesh Economic Review 2020)**

Behind this rosy picture, however, lies a sorry state: Bangladesh is still home to around 40 million poor and 20 million extreme poor according to 2016 data from **BBS (HIES 2016)**. Globally, one in every eleven people is poor, according to 2013 data released by the **World Bank** in 2016. Although Bangladesh’s success in overall poverty reduction has earned the country global praise and recognitions, there are certain pockets, such as northern districts, coastal belt and haor regions, where poverty still remains deep. In districts like Kurigram, Dinajpur, Sherpur, Nilphamari as well as Hill Tracts region, poverty rate has shot up in the last 10 years, according to data from the **Household Income and Expenditure Survey (HIES) 2016**.

That’s where targeting comes in, to direct the benefits of the poverty elimination programmes to the ones who need them the most, and soonest. Targeting is important especially because the power dynamics in our society play a key role in the inclusion and exclusion process. Then there is the issue of tomorrow’s poor. By the time, say, we lift 2 million poor out of poverty in the next 10 years, in all likelihood there will be a new generation of poor struggling to make their ends meet.

Based only on the financial aspect of poverty, the poor could be categorised as “income poor”, i.e., lack of income, and “human poor”, i.e., lack of basic human capacity in terms of good education, health, sanitation, safe water and so on. Poor could be classified as “extreme poor”,

“moderate poor” and “vulnerable non-poor” based on the depth of poverty. Many people who are poor can get out of the poverty trap in a short period of time. However, many a time they fall back into poverty shortly afterwards following sudden shocks, such as ailments or natural disasters. They are “transient poor”, the most vulnerable to poverty.

Apart from being income poor, a lack of access to basic services like education, healthcare services, safe drinking water, sanitation facilities, electricity and so on, put people at a disadvantageous position and prevent them from living a decent life. A lack of access to basic services exacerbates income poverty by generating a poverty trap where people cannot improve their living conditions. When a lack of access to basic services is also a consequence of being income poor, this creates a vicious cycle.

The poor are a highly heterogeneous group rather than a homogenous one. Even the ultra-poor can be highly heterogeneous—some living in rural areas, others in urban areas. Some live in the coastal belt, others on the hills or islands or chars. Even the first-generation ultra-poor and the fifth-generation ultra-poor have varied characteristics and therefore distinctive needs. As a result, for sustainable poverty reduction, a one-size-fits-all strategy will not work, at least not in the long run for sure. If we are to achieve **Goal-1** of the Sustainable Development Goals, that is to eliminate poverty by 2030, we will have to devise need-based holistic programmes and ensure focused targeting. We will also have to multiply our efforts and mobilise resources to address the vulnerabilities of the extreme poor.

For this to be successful, all actors—government policymakers, development partners and NGOs—must join hands to develop a separate strategy to exclusively target the poverty-prone pockets. But all the world’s strategies will not bring any good if they are not implemented.

Poverty, often likened to chronic diseases, is a multi-dimensional phenomenon. And to address the multi-dimensional aspects of poverty, any poverty reduction programmes or projects should be context-specific, need-based and demand-driven. Inclusive growth will remain a far cry if we do not give special attention to lift the extreme poor living in areas with higher poverty rate.

**Q29. Describe the importance and challenges regarding special economic zones (SEZs) in Bangladesh.**

Special Economic Zones (SEZs) play an important role in the quest for economic growth. Their primary objective is attracting foreign direct investment (FDIs), generating employment, implementing economic reforms and experimenting with new policies.

The actual number of economic zones in Bangladesh is in contention. However, as per data from **Bangladesh Economic Zones Authority (BEZA)**, at present, there are a total of 88 economic zones across the country, of which 59 are government-owned and 29 are privately owned. As Bangladesh ramps up its development agenda, SEZs will soar in prominence as the government has announced its plans to establish a total of 100 SEZs by the year 2025.

Special Economic Zones can be a useful tool in tackling regional disparities and promoting regional development via what is known as the “spread effect”. Establishing SEZs in lagging regions—which are primarily from the western parts of Bangladesh—is an important first step towards bridging regional disparities. However, the benefits offered by SEZs in these lagging regions should be sufficiently more attractive than elsewhere to investors in order to overcome any locational disadvantages endemic to the area. Bangladesh’s policy aims to add another \$40 billion of exports from the SEZs. However, based on simulations by The Asia Foundation, these export earnings will concentrate in the better-off Dhaka and Chittagong regions. Additionally, their simulations also suggest that SEZs in lagging regions will have strong impacts on employment generation, especially for women.

For example, **Mirsarai Economic Zone** is set to be largest industrial enclave in Bangladesh, aiming to bring in employment for 1.5 million people within the next 15 years and generate \$15 billion of export earnings. In addition to being the largest industrial enclave, it is also the first multi-sector economic zone in the country. A number of major local and foreign enterprises have expressed their eagerness to invest in the economic zone. Of note is **BGMEA (Bangladesh Garment Manufacturers and Exporters Association)**, who have proposed to invest \$2 billion to set RMG accessories factories at this park in order to generate employment for 500,000 people. Kunming Iron & Steel Holding Company Limited, a state-owned Chinese company, is planning on investing \$2.13 billion in order to set up the Iron and Steel Industries Park.

Despite the benefits they offer, SEZs and EPZs also pose some challenges that need to be overcome to fully utilize the potential these industrial enclaves offer. Some of the major challenges include the following:

- The large number of public agencies with overlapping mandates make it difficult for foreign investors to navigate through the bureaucratic environment of Bangladesh.
- Apart from BEPZA, which has over 40 years of experience, all the other agencies tasked with the expansion of industrial infrastructure are young institutions that have not yet developed sufficient technological capacities to address all the needs of infrastructural expansion. Political interference in site-selection also poses a threat to investment decisions.
- Social and environmental safety standards are another key area of concern. Apart from the famously poor safety standards of Bangladesh, climate change is now posing a serious threat to SEZs. As many zones are located near rivers due to scarcity of land, the destructive forces of the ongoing climate crisis on rivers is threatening the security of these SEZs.

While there are certainly issues that need to be addressed if SEZs are to play the role they are meant in the context of the national economy, a number of key steps must be taken to address these points as well as build upon the existing positives. These steps can be enacted through sound policy-making and efficient legislation:

1. It is imperative to establish an internal task force with handpicked experts from international backgrounds who will be tasked with reviewing and assessing the performance of these various public agencies such as BEZA and BEPZA. By monitoring performance, wasteful investment decision making can be mitigated.
2. An environmental panel needs to be established to help bring in more effluent treatment plants and other environmental infrastructure to the right places with proper financing.
3. The incentive structure across SEZs needs to be standardized to create a level playing field where applicable, and certain SEZs need to be furnished with more enticing benefits so as to facilitate regional economic development and bridge regional economic inequality.
4. SEZs need to be equipped with efficient sea and land ports in order to effectively establish more efficient trade routes, and hence bring down logistic costs.
5. A greater emphasis needs to be placed on export diversification in order to move into higher value goods, leading to a structural transformation of the economy. This can help future-proof the economy when automation eventually takes over apparel manufacturing in export destination markets.

Special Economic Zones have established themselves as a stepping stone for economic prosperity and a cornerstone in the larger scheme of Bangladesh's development agenda. While there exists much to be desired in terms of their role in addressing regional disparities, their role in boosting the economy cannot be denied.

**Q30. Briefly discuss about “Mujib Year” celebration 2020-21.**

***‘Sheikh Mujib was a great leader. His extraordinary heroism has been a source of inspiration for the people of Asia and Africa.’***

**-Indira Gandhi, Former Prime Minister of India**

The celebration of Mujib Year officially termed as ‘Mujib Borsho’, birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, was celebrated across the country with due respect on 17 March, 2020. Dignitaries from home and abroad, among whom are a number of heads of state and government in South Asia, were about to join the celebrations. But many of them could not make it the last time due to a protracted pandemic situation, when Bangladesh officially launched Bangabandhu’s year-long birth centenary program. Following the global coronavirus outbreak and the identification of infected patients in Bangladesh, on March 8, the Government of Bangladesh and the National Implementation Committee to Celebrate the Birth Centenary announced a small pre-March event in the public interest and public welfare. At the same time, it was announced that the visit of the invited heads of state of different countries has also been canceled.

One year later, Bangladesh kicked off 10-day long special events on 17 March, 2021 to celebrate the country's Father of the Nation Bangabandhu Sheikh Mujibur Rahman's birth centenary and the golden jubilee of the country's independence. The tenure of ‘Mujib Borsho’ has subsequently been extended till 16 December, 2021 through yearlong various programmes nationally & globally.

Streets and strategically important places and structures in capital Dhaka were decorated with colorful festoons, flags and banners to celebrate one of the country's biggest celebrations that begins on 17 March, 2021 that marks the 101st birth anniversary of the great leader who led the country's nine-month liberation war 50 years ago. In the evening, the Bangladeshi president and the prime minister joined by dignitaries from home and abroad took part in a major celebration ceremony of the day in Dhaka's National Parade Ground. World leaders have sent video messages which were screened at the grand celebration ceremony.

Prime Minister Narendra Modi paid tribute to the Shekh Mujibur Rahman on his 101st birth anniversary. PM Modi took to Twitter and wrote: ***"My heartfelt homage to Bangabandhu Sheikh Mujibur Rahman, a champion of human rights and freedom, on his birth anniversary. He is a hero for all Indians too. It will be my honour to visit Bangladesh later this month for the historic Mujib Borsho celebrations."***

The theme of this year's (2021) birthday anniversary of Bangabandhu and Children's Day is ***"BangabandhurJanmadin, ShishurRidoyHokRangin"*** or ***"Let the children's lives become colourful on Bangabandhu's birthday"***.

On Bangabandhu Mujib's birth anniversary, his daughter Sheikh Hasina, in her message to the country said, ***"Let us resolve to take Bangladesh to even greater heights in the international arena in the coming years and transform it into a safe and peaceful home for our next generations"***.

Bangladesh's President Abdul Hamid and Prime Minister Sheikh Hasina were joined by the Maldives President Ibrahim Mohamed Solih at the event. China's President Xi Jinping, Canadian Prime Minister Justin Trudeau and Japan's Prime Minister Yoshihide Suga sent video messages. Indian Prime Minister Narendra Modi attended as chief guest at the concluding event of the 10-day celebrations on March 26 at the National Parade Ground.

Apart from the central program at the Parade Ground, several virtual and online events held across the country from 17 to 29 March, 2021. The main theme of the 10-day program was '*Mujib Chironton*' (*Eternal Mujib*). Every day there were two sessions – a discussion and a cultural show. State-run BTV telecasted all events live.

With a recent surge in Covid-19 cases, Bangladesh took cautious measures to maintain all health protocols in staging all the celebratory events. The measures included maintaining physical distance, use of facemasks and multiple Covid-19 tests for all invited guests. Dhaka Metropolitan Police (DMP) did not allow any other mass gatherings in Dhaka during this period on security and health safety considerations.

President Ibrahim Mohamed Solih, President of Nepal Bidhya Devi Bhandari, Indian Prime Minister Narendra Modi, Bhutanese Prime Minister Lotay Tshering and Sri Lankan Prime Minister Mahinda Rajapaksa joined the celebrations in person.

Bangabandhu Sheikh Mujibur Rahman was born at Tungipara in Gopalganj on March 17, 1920. He spearheaded the Bengalis' liberation struggle and Bangladesh emerged as an independent country from Pakistan on the world map in 1971. Promoting the role of Bangabandhu at the grassroots level in Bangladesh's independence struggle, the return anniversary of Bangabandhu, the founding anniversary of the Awami League, National Mourning Day and Jail Killing Day will be celebrated every year as well. There are also plans to produce short films and documentaries to celebrate the birth anniversary and Mujib anniversary. UNESCO also made the decision unanimously to celebrate the "MujibBorsho" together with Bangladesh.

The year 2020 would go down in history as one of the worst in human history but it will also be remembered as the centenary of one of South Asia's tallest leaders who changed the course of fate of his nation through relentless struggle.

**Data Source: [Mujib100.gov.bd](http://Mujib100.gov.bd)**

**Q31. Analyse the national budget of Bangladesh for FY 2021-22.*****“Bangladesh towards a Resilient Future Protecting Lives and Livelihoods”*****-Title of the National Budget 2021-22**

The national budget for FY22 has been announced at a time when the country is going through the second wave of the pandemic. Since the outbreak of the pandemic in Bangladesh in March 2020, the economy has been facing the most challenging period ever in the history of Bangladesh.

The budget for FY22 has been prepared in the context of a number of emerging signs in the economy. Despite challenges the economy has been able to maintain some stability and experienced some positive trends in FY21. However, a number of weaknesses have also been visible during the outgoing fiscal year. Deficit in revenue mobilisation, weaknesses in government expenditure, low implementation of the Annual Development Programme (ADP), subdued industrial production, gradual pressure on food inflation and low credit flow to the private sector are worrying signs.

On the other hand, some turnaround in case of export earnings and import payments, surplus in balance of payments, stable exchange rate and higher forex reserves are reassuring. Given the uncertainty on the duration of the pandemic, the government should prioritise its actions for mitigating not only the immediate health and economic risks but also for smooth recovery from the ongoing shocks by allocating adequate resources and appropriate measures.

Sector	FY 2021-22	FY 2020-21	Change
Agriculture	5.30%	5.30%	0.00%
Defense	6.20%	6.10%	0.10%
Education and Technology	15.70%	15.10%	0.60%
Health	5.40%	5.10%	0.30%
Industrial and Economic Services	0.70%	0.70%	0.00%
Power and Energy	4.50%	4.70%	-0.20%
Public Administration	18.70%	19.90%	-1.20%
Social Security and Welfare	5.70%	5.60%	0.10%
Transport and Communication	11.90%	11.40%	0.50%

**Fig: A cross-comparison of the current budget with the previous fiscal year, FY 2020-21 (Source: MoF)**

According to CPD analysis, this year’s Health sector allocation only comprises 0.95% of the total Gross Domestic Product (GDP) as compared to 0.84% in 2020. The general expectation was a larger budget allocation for the Health sector. The reasoning behind this is the looming fear of the ongoing COVID-19 crisis worsening with the recent infiltration of the Delta variant

into Bangladesh. The budget transcript did not reveal any new project to battle the ramifications of the pandemic.

According to Ministry of Planning, there are 79 lacs SME establishments in Bangladesh and this sector is one of the vulnerable and most hard-hit sectors due to COVID-19. As persistent lockdowns have been imposed to mitigate the spread of the virus, many SMEs struggled to stay afloat. Declining demand coupled with persistent high fixed costs made it difficult for these enterprises to continue production as profit became more marginal. This pushed the SMEs into a situation where demand is continuously spiraling down. As an attempt to help fight this low demand, tax reformation has been introduced. In addition to this, a few fiscal incentives have been proposed to encourage investment and reduce operational costs, such as corporate tax cuts. This would thereby promote employment. Most of these incentives are enterprise-oriented, which will help reduce operational costs by reducing tax on imports of capital and core raw materials.

The agriculture sector in Bangladesh employs around 38.3% of the labor force and contributes to 12.7% of the GDP and ensures higher food security for this country. This contribution to GDP can be even more substantial, given that this country has alluvial soil. But the limiting factor that holds this sector back is soil erosion and lack of technology. To make this sector more automated, the budget revealed a VAT exemption at the manufacturing and trading stages for Weeders and Winnowers.

Education will be a critical determinant of sustainable economic development – something that Bangladesh strives to attain. The benefits of education are reaped in the long run and to achieve this, the allocation of Budget this year to education increased by 7% to BDT 719.53 billion, compared to BDT 662.07 billion in FY 2020-21. The amount allocated this year as a percentage of GDP – 2.09% – is lower than that of last year, 2.14%. This may not be a welcome move for the Education Sector, given that the amount allocated to Education as a percentage of GDP is the lowest in Bangladesh, amongst the South Asian Countries.

In the context of Bangladesh, more than a hefty budget allocation, proper implementation is necessary and essential. Money can be injected into the economy, but it will only translate to improved living standards when the allocated budget is utilized to its maximum potential. This is especially important in the light of COVID-19.

**Data Source: Center for Policy Dialogue (CPD).**

**Q32. “Current Covid vaccine diplomacy resulted in the creation of vaccine divide among countries.” – Explain.**

***'We cannot defeat the Covid-19 pandemic through competition'***

**-The WHO Chief**

Vaccine diplomacy is the use of vaccines to improve a country's diplomatic relationship and influence of other countries. Meanwhile, vaccine diplomacy also means a set of diplomatic measures taken to ensure access to the best practices in the development of potential vaccines, to enhance bilateral and/or multilateral cooperation between countries in conducting joint R&D, and, in the case of the announcement of production, to ensure the signing of a contract for the purchase of the vaccine at the shortest term.

The global Covid-19 pandemic has caused catastrophic consequences in every corner of the world. Rich and poor nations have suffered almost equally but with asymmetric capacity and resources. As it happened with other global public health crises, vaccine development was immediately considered to be an effective response to the devastating impacts of Covid-19. The global drive for vaccine development witnessed an unprecedented success led by powerful countries and multinational pharmaceutical corporations, with countries like the USA, Russia, China, the UK and India engaging national resources to develop vaccines at the earliest—whether under private or public enterprises.

Eventually, vaccine became a new hotspot of global diplomacy triggered by the existing patterns of competition and rivalry among the great powers. Vaccine nationalism soon captured the imagination of experts. The race for developing vaccines within the shortest time possible can be attributed to the nationalist tendencies of vaccine-producing countries such as the USA, Russia and China. While the states are involved in diplomacy, companies are focused on profiteering. Both the phenomena have created an adverse situation for millions and millions of people across the globe who have become victims of the vaccine divide.

It is true that WHO, along with the European Union and France, has launched COVAX as a Covid-19 global vaccine access point. Coordinated by Gavi, the Vaccine Alliance, and the Coalition for Epidemic Preparedness Innovations (CEPI) and the WHO, COVAX aims to ensure that vaccines are shared fairly among all nations, rich and poor. Countries that have joined the COVAX are divided into two groups: self-financing rich countries, and middle- and low-income economies. By now, 80 members have joined in the first category, while 92 entered the second category.

The process of COVAX is flawed as rich countries under this scheme enjoy non-binding provisions—for them, it is merely a vehicle to further facilitate their vaccine diplomacy. The fate of initiatives to distribute vaccines to middle- and low-income countries also depends on funding from the rich countries, which is also not fully available. Hence, the COVAX, as a global facility to ensure fair access to vaccines, has a minimal capacity. Discrimination in vaccine procurement is also alarming. According to a report published by Duke University, the world's wealthiest nations have locked up much of the near-term supplies. For their population of 1.2 billion, the wealthier nations have booked 4.6 billion doses, so the manufacturing capacities of vaccine firms will be locked up for months to fulfill these orders.

Coming to Bangladesh, one can see how vaccine diplomacy is being played out. The uncertainty of getting 30 million Oxford-AstraZeneca vaccines from the Serum Institute of India—due to a sudden halt to export—has forced Bangladesh to look for alternative sources. Bangladesh has received new offers of support from China and Russia. China has come forward with a regional platform to provide emergency vaccine support for South Asian countries barring India. It's a new twist in South Asian vaccine diplomacy. Like India, China has also offered some vaccine doses as a gift for Bangladesh. Similarly, Bangladesh and Russia are in collaboration for vaccine production in Bangladesh. But challenges persist as Bangladesh faces a crisis of vaccine availability due to the aforementioned global vaccine diplomacy. It may be mentioned that COVAX is also delaying its delivery of vaccines to its signatory states.

This reality certainly contributes to the vaccine divide. Bangladesh Prime Minister Sheikh Hasina drew global attention to it when she placed a three-point proposal in the special UNGA session in September 2020 to deal with the challenges of Covid-19. These include: ensuring universal and equitable access to quality Covid-19 vaccine, transferring technology to developing countries to manufacture vaccine locally, and providing them with financial assistance to face challenges in the wake of the pandemic.

If the current trends continue, the vaccine divide will create an alarming situation, causing the deaths of millions of people and damaging the livelihoods of marginalised populations around the world. More importantly, it would have devastating consequences for the low-income countries. It would deeply compromise their national capacities in healthcare, economy, education, and other vital sectors. So the world must declare and treat Covid-19 vaccines as a public good, and must effectively deal with vaccine divide based on a spirit of multilateralism and humanity.

**Data Source: The Daily Star & Wikipedia.**

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**Q33. Briefly discuss about vaccine diplomacy and its significance in Bangladesh.**

***'We cannot defeat the Covid-19 pandemic through competition'***

**-The WHO Chief**

Vaccine diplomacy is the use of vaccines to improve a country's diplomatic relationship and influence of other countries. Meanwhile, vaccine diplomacy also means a set of diplomatic measures taken to ensure access to the best practices in the development of potential vaccines, to enhance bilateral and/or multilateral cooperation between countries in conducting joint R&D, and, in the case of the announcement of production, to ensure the signing of a contract for the purchase of the vaccine at the shortest term.

To be among the first countries to procure an effective vaccine, Bangladesh should deal with both China and India briskly with an “open to all policy” approach alongside maintaining contact with all the potential vaccine-producing countries. Due to the complexity of international politics, it could be difficult to procure vaccines solely based on bilateral relations. Subsequently, economic diplomacy will also play a significant role while making decisions related to vaccine procurement. Bangladesh, with its large population, is undoubtedly a major market for vaccine makers, which may be used as a bargaining tool during negotiations. Due to geopolitical interest, China and India have already assured Bangladesh of giving priority to providing their vaccines, and China’s offer for the trial of its vaccine is already accepted in Bangladesh.

Nevertheless, it might be challenging to receive doses from China and India in due time since both countries have huge domestic demand due to their large population size. Hence, vaccine diplomacy should be a part of our strategy and we should aim to secure permission for manufacturing any vaccine in our country to ensure its availability here in due time. Bangladesh should maintain contact with all potential vaccine-producing countries since it is uncertain which vaccine will eventually come out as an effective one. Subsequently, the nation should strategize to reach an understanding with the vaccine producing countries for getting their vaccines once those are approved by the World Health Organization (WHO).

Side by side, being a developing country, Bangladesh must make stronger attempts to procure vaccine with the help of Global Alliance for Vaccines and Immunizations (Gavi), UNICEF, WHO, Pan American Health Organization (PAHO), the Coalition for Epidemic Preparedness Innovations (CEPI), World Bank, and others. Furthermore, the government must maintain a constant contact with Gavi or international bodies to secure pledged vaccine doses from them on the principle of equitable distribution.

An application has been sent to Gavi in July, 2020 through the WHO to avail COVAX Global Vaccines Facility for lower and middle-income countries and the application was accepted. Moreover, International Centre for Diarrhoeal Disease Research, Bangladesh (icddr,b) has been granted to run phase three trial of China’s Sinovac’s COVID-19 vaccine in Bangladesh. Due to the participation in the trial process, Bangladesh will be getting 0.1 million doses and a priority in procuring the vaccine by 2021.

Currently, Oxford-AstraZeneca’s Covishield, Russia’s Sputnik-V, and China’s Sinopharm vaccines got emergency use authorization in Bangladesh. The government took an initiative to purchase 15 million Sinopharm vaccines from China. Due to the vaccine deficit in the nation and

a delay in the timely delivery of consignments from India, the health department did halt the registration of 1st dose of vaccination on 26th April, 2021.

However, the Indian government gifted 3.2 million doses to the people of Bangladesh. Subsequently, on 12th May 2021, a shipment of 0.5 million doses of Sinopharm was given by the Chinese government and 1,00,620 doses of Pfizer COVID-19 vaccine arrived in Dhaka. This shipment was made possible through the COVAX Advance Market Commitment, a global initiative to support equitable access to COVID-19 vaccines. The United States recently declared an initial \$2 billion obligation of a total planned \$4 billion to GAVI, the Vaccine Alliance to support the COVAX Advance Market Commitment, making the United States the largest donor for equitable global COVID-19 vaccine access.

Given Bangladesh's high population density, vaccination will be critical in controlling the scale of the pandemic. In addition to an effective vaccination campaign, public health awareness must also be maintained. Governments all across the world have stepped up to help mitigate the pandemic's effects and guarantee that essential services are available to the citizens. During a huge disaster like the current pandemic, the government must supply everything from stimulus packages to vaccines and strategize their plans prudently. Strategic leadership and prudent vaccine diplomacy will play a significant role in tackling the crisis of COVID-19.

**Data Source: [lightcastlebd.com](http://lightcastlebd.com).**

Smart Preparation for [www.jobsonlinebd.com](http://www.jobsonlinebd.com)

**Q34. "50th year of Independence, Bangladesh achieves a lot but needs to do more."- Explain.**

***"Bravo Bangladesh!  
The world is amazed!  
Fired, burned, died and destroyed  
but never gave up!"***

**-Sukanta Bhattacharya**

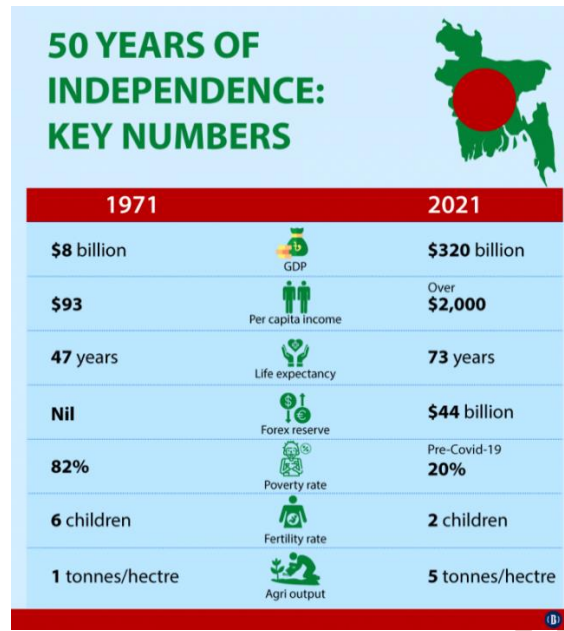
The day on 26 March, 2021 is a momentous day in our nation's history as we observed the 50 years of our existence as an independent country. Fifty years ago, in the face of a brutal massacre by the Pakistani military, the freedom-loving people of this land gave their all to oppose that evil with their righteous courage and succeeded in giving us a monumental victory. As we celebrated our golden jubilee of independence, we recognised that this privilege that we enjoyed so far and will enjoy in future is a fruit of their sacrifice and we salute them for that.

Unfortunately, we are having to reign in our celebrations due to the resurgence of the coronavirus pandemic. The pandemic has already caused immense damage to our economy and the lives and livelihoods of countless people for almost a year now. It has also exposed many of our shortcomings as a nation. To begin with, it has illustrated the great inequalities that exist in our society, which betrays the spirit of our Liberation War. Therefore, now would be a good time to critically re-examine how well we have guarded the dreams for which our freedom fighters so nobly laid down their lives, and to retake the pledge to honour their memory by working to establish a just society, where all men, women and children are free and equal.

Aside from the grave inequality, the lack of political maturity that is holding us back from becoming a stable democracy, the widespread corruption and nepotism, are all problems that we must overcome going forward. However, if we look back, we also see how far we have come and the great things we have achieved. This only emboldens us as we embark upon another exciting new journey to not only turn Bangladesh into a prosperous country, but also one where every individual can prosper.

In the past 50 years, the country has seen many ups and downs in the political sector. Still, the economy continues to grow thanks to a vast young population, good trade, and political relations with regional and world powers that attract significant foreign investment. The country has seen several military coups in the last 50 years. Sheikh Mujibur Rahman, the leader of the War of Liberation in 1971 that gave the country complete independence from Pakistan, was assassinated with almost all of his family members just after four years of independence. Then the country was ruled by military generals until it turned into a fully democratic rule in 1991. However, since then, the South Asian nation with over 165 million populations was ruled by two women -- Mujibur Rahman's daughter Sheikh Hasina, the current prime minister, and Former General Ziaur Rahman's wife, Khaleda Zia.

Despite substantial political turmoil in the last 13 years of uninterrupted rule by Hasina, the country became one of the fastest-growing economies in the world, improved its GDP per capita - surpassing Pakistan and India, registered significant development in women empowerment, female education, sanitation, reducing poverty, fighting the climate change, engaged with rapid technological development and improvement in other social issues.



**Source: Business Insider Bangladesh**

The per capita GDP in Bangladesh in 1972 was almost 40% lower than in Pakistan. But the country's current GDP per capita is more than 40% higher than Pakistan. According to the International Monetary Fund and the World Bank, Bangladesh surpassed India and Pakistan in GDP growth rate and per capita income. The economic growth was around 8% in 2019, the fastest pace in Asia. Unlike other regional countries, Dhaka has also succeeded to manage and continue balanced relations between India and China. The country has set an example to the world by hosting more than 1.2 million Rohingya Muslim refugees who fled state and military brutality in Myanmar.

The country and its people have repeatedly overcome hurdles after hurdles to become a South Asian powerhouse. Today, the country's economic performance is often defined as the "Bangladesh Surprise." The United Nations' announcement of graduating Bangladesh to a "developing country" from a "least-developed country" has added a time-befitting dimension to the milestone celebration. Since 2009, the country witnessed an economic turnaround guided by prudent macro-economic and fiscal management. The growth has been inclusive accompanying major socio-economic and human indices. Fifty years into the journey, Bangladesh now is considered as a role-model for other developing countries.

But the country has to go a far way in the rule of law and democracy, free and fair elections, freedom of media and expression, independence of judiciary, transparency, and accountability in public administration curbing corruption and political nepotism, stopping extra-judicial killings and custodial torture and deaths. However, people want to keep their hope alive for a better and prosperous Bangladesh. In that sense, Bangladesh needs to do more in the coming years.

**Q35. Discuss the major achievements during the 50 years from the independence of Bangladesh.**

***"Bravo Bangladesh!  
The world is amazed!  
Fired, burned, died and destroyed  
but never gave up!"***

**-Sukanta Bhattacharya**

Bangladesh inherited a war-hit poor economy in 1971. The country started its journey with an empty coffer. Despite limited resources, Bangladesh has made spectacular economic progress over the last five decades. Let's take a look on some major indicators-

***1. Gross Domestic Product (GDP) growth rate***

Bangladesh's GDP growth rate was -5.48% in 1971 and 8.15% in 2019. As the covid-19 pandemic hit the economy like the rest of the world, the GDP stood at 5.2% in 2020.

***2. Per Capita Income***

Since independence in 1971, Bangladesh has been consistently improving its economic growth trajectory and significant economic indicators. Bangladesh's per capita income was \$134 when it became independent and in 2021 it reached to \$2554 (The Financial Express, November 4, 2021).

***3. Diminishing poverty***

Share of population below the poverty line had declined from more than 80% in the early 1970s. The poverty rate in 2019 was 20%, extreme poverty was nearing single digit, to 10%. The country will halve its poverty rate by 2030.

***4. Export earning***

Bangladesh became notable in South Asia for its successful export-led development model. Bangladesh's exports have risen by around 80% in the past decade, driven by the booming garments industry. The total export earnings for FY2020-21 stood at \$38.76 billion. Currently, Bangladesh is the third largest global apparel producer.

***5. Foreign currencies reserve***

Bangladesh's foreign exchange reserves reached a new record of over \$46 billion at the end of the October, 2021. To put it in context, the amount is sufficient to pay import bills for over 10 months. Remittance inflow plays a vital role in boosting the foreign exchange reserves.

***6. Investment***

For Bangladesh, both public and private investments have been instrumental to stimulate economic growth. Investment to GDP ratio was 21.5% in FY 2020-21, according to **BBS**. From 1980s, government of Bangladesh shifted its policy-strategy and open up different sectors for private as well as foreign investment. In recent years, the private sector investment contributed almost 75% of the total investment.

***7. Foreign Direct Investment***

In 1971, Bangladesh started receiving foreign direct investment (FDI). In 1972 Bangladesh received \$90,000 FDI whereas in 2019 Bangladesh received a record \$3.61 billion FDI.

### **8. Agriculture and food security**

Due to internal displacement during the War in 1971, Bangladesh's agricultural sector severely suffered and food production and supply chain faced complete breakdown. In 1972, total food-grain production was 9.9 million metric ton and in 2020 total food-grain production reached 45.4 million metric ton. Bangladesh is the fourth largest rice and third largest freshwater fish producing country in the world.

### **9. Industry**

During 1972–1980, Bangladesh pursued an import-substituting industrialization strategy aiming to safeguard the country's infant industries. Over recent years, the share of the manufacturing sector in GDP increased from 4% in 1972 to 18% in 2019, and the share of the non-manufacturing industry increased from 2% to 11% during the same period of time. To accelerate the industrial boom, Bangladesh government took an initiative to set up 100 Economic Zones.

### **10. Service**

The Bangladesh economy is dominated by the services sectors. Over the years, share of the service sectors increased to 56%. During last 50 years, Bangladesh economy experienced a significant decline in agriculture sector employment and rapid increase in industry and service sectors employment growth. Between 1980 and 2010, the service sector recorded steady growth of 3.6% to 6.7%.

### **11. Infrastructure**

Over the fifty years, Bangladesh has consistently invested in infrastructure development from housing to communication infrastructure to industrial infrastructure to water supply, solid waste management, electricity. Bangladesh's high growth trajectory is the result of heavy public spending on mega infrastructure development project such as Padma Multipurpose Bridge, Bangabandhu Tunnel, and Rooppur Nuclear Power Plant are notable.

### **12. Access to electricity**

Bangladesh has witnessed a strong headway in terms of access to electricity in fifty years. In 1991, the access to electricity was 14% and in 2021 it reached 99%.

### **13. Education**

The country has been implementing well-devised plans and channeling resources to enhance access of education. One major success has been the achievement of the goal of universal enrolment at the primary level. A significant decrease in school dropout rate of 18% currently is another milestone. Gender parity was achieved at primary and secondary education ahead of the Millennium Development Goal (MDG) Targets. The country's literacy rate has risen to 74.7% in 2019 from 26.8% in 1974.

### **14. Health**

Bangladesh health sector has witnessed a silent revolution in the last five decades. Substantiated with policy interventions, Bangladesh has successfully halved infant mortality and cut maternal mortality rate by 75%. Moreover, the total fertility rate has brought down to 2.04 in 2020 from about 7 in the 1970s.

### ***15. Life expectancy***

In the founding year of Bangladesh, the life expectancy was 46.6 years. In 2020, the life expectancy is 72.6 years.

### ***16. Maternal and child mortality ratio***

Maternal mortality ratio (MMR) in Bangladesh has declined by 75% over the five decades. The maternal mortality ratio was 600 per 100,000 live births in 1975 and 574 in 1990. In 2017, the MMR for Bangladesh was 173 per 100,000 live births. Bangladesh has been successful in terms of bringing down infant mortality ratio drastically. In 1973, the infant mortality ratio was 167 per 1000 live birth and in 2020, the ratio brought down to 21 per thousand live births.

### ***17. Immunization***

Immunization is a very significant health sector indicator for any country in the world and Bangladesh is a global success story and leader in this indicator. Bangladesh has officially initiated Expanded Program on Immunization (EPI), a global immunization effort in 1979. In the year 1985, the vaccination coverage was 2%. As of September 2019, Bangladesh has immunized 38 million children since 2003. Bangladesh is a polio free country since 2006 and has eliminated the neonatal tetanus threat.

### ***18. Gender parity***

Gender parity in Bangladesh has improved across all sectors due to greater participation of women in socio-economic and political activities. Bangladesh has secured the first position in gender equality among South Asian countries for the second consecutive year at the Gender Gap Index. Bangladesh has closed 73% of its overall gender gap, according to the Global Gender Gap Index 2020. During the period of 1996-2017, the national rate of female labor force increased from 15.8 to 36.3%, which is higher than the South Asian average of 35%.

### ***19. Disaster resilience***

Bangladesh has the world's largest river delta system which is vulnerable to climate change. Bangladesh has experienced six major floods and five cyclones since 1970. In the past fifty years, Bangladesh has demonstrated a high level of adaptability in adopting existing technologies to reach out to people. Bangladesh utilized satellite imagery to learn the severity of the storm in 2007. The country has also developed new types of unique cyclone shelters where people can take shelter.

### ***20. Digitization***

Bangladesh has made immense strides in technology in a number of sectors such as telecommunication, internet connectivity and speed, digitization, and media. The government's promise of Digital Bangladesh, since 2009, has translated into huge ICT progress.

### ***21. Satellite launching***

On May 12, 2018, Bangladesh entered the space era with the successful launching of its first satellite 'Bangabandhu-1'. With this technological feat, Bangladesh became the 57<sup>th</sup> nation to have its own satellite in outer space.

### ***22. LDC graduation***

Bangladesh received the recommendation on graduation from the least developed country (LDC) status by the UN's Committee for Development. In February 2021, Bangladesh fulfilled all three criteria to graduate from a LDC to a developing country, for the second time since 2018. The UN would recommend Bangladesh's graduation by 2026. Bangladesh has been on the list of LDC

countries since 1975 when the country's economy was still recovering from the devastating Liberation War of 1971.

### **23. MDG achievement**

Bangladesh has been recognized as one of the role-model for emulation for other developing nations in implementing the Millennium Development Goals (MDGs). Bangladesh's achievements were remarkable in the area of poverty alleviation, food security, primary education, mortality ratio, immunization coverage, and tackling communicable diseases.

### **24. SDG headway**

Bangladesh was an active participant in formulating the 2030 Global Development Agenda (SDGs). Since the declaration of SDGs, Bangladesh has embraced the SDGs through inclusion of the 17 Global Goals into its National Development Plan. The SDGs have been included in the national plans – such as the 8th Five Year Plan (8FYP), the Delta Plan 2100 and the Perspective Plan 2041.

Fifty-years into its independence, Bangladesh has many milestones to celebrate. The country is now well placed to strive for a poverty free and advanced economy by 2041. The challenges are steep but not insurmountable. Bangladesh already has a strong track record that shows how strong leadership, sound policymaking and determined efforts can take the country forward. The ethos of equity and justice, the underlying principles of the Liberation War, ought to be the guiding principles for crossing the milestones of its upcoming journey.

**Source: The Centre for Research and Information (CRI)**

**Q36. What do you mean by currency swap? Bangladesh's central bank has approved a \$250 million currency swap facility to Sri Lanka. What does this mean and why is it significant?**

***"All our investments right now bear interest of less than 1 percent, whereas this is paying more than double of what we get,"***

**-A BB official.**

A currency swap, sometimes referred to as a cross-currency swap, involves the exchange of interest—and sometimes of principal—in one currency for the same in another currency. Interest payments are exchanged at fixed dates through the life of the contract. It is considered to be a foreign exchange transaction and is not required by law to be shown on a company's balance sheet.

Currency swaps were originally done to get around exchange controls, governmental limitations on the purchase and/or sale of currencies. But swaps are now done most commonly to hedge long-term investments and to change the interest rate exposure of the two parties. Companies doing business abroad often use currency swaps to get more favorable loan rates in the local currency than they could if they borrowed money from a bank in that country.

In a currency swap, the parties agree in advance whether or not they will exchange the principal amounts of the two currencies at the beginning of the transaction. The two principal amounts create an implied exchange rate. For example, if a swap involves exchanging €10 million versus \$12.5 million, that creates an implied EUR/USD exchange rate of 1.25. At maturity, the same two principal amounts must be exchanged, which creates exchange rate risk as the market may have moved far from 1.25 in the intervening years.

Pricing is usually expressed as London Interbank Offered Rate (LIBOR), plus or minus a certain number of points, based on interest rate curves at inception and the credit risk of the two parties. A currency swap can be done in several ways. Many swaps use simply notional principal amounts, which means that the principal amounts are used to calculate the interest due and payable each period but is not exchanged. If there is a full exchange of principal when the deal is initiated, the exchange is reversed at the maturity date. Currency swap maturities are negotiable for at least 10 years, making them a very flexible method of foreign exchange. Interest rates can be fixed or floating.

Bangladesh Bank has in principle approved a \$250 million currency swap agreement with Sri Lanka, which will help Colombo tide over its foreign exchange crisis, according to Bangladesh Bank report. Sri Lanka, staring at an external debt repayment schedule of \$4.05 million this year, is in urgent need of foreign exchange. Its own foreign exchange reserves in March year stood at \$4 million.

In this context, a currency swap is effectively a loan that Bangladesh will give to Sri Lanka in dollars, with an agreement that the debt will be repaid with interest in Sri Lankan rupees. For Sri Lanka, this is cheaper than borrowing from the market, and a lifeline as is it struggles to maintain adequate forex reserves even as repayment of its external debts looms. The period of the currency swap will be specified in the agreement.

Bangladesh has not been viewed so far as a provider of financial assistance to other countries. It has been among the most impoverished countries of the world, and still receives billions of

dollars in financial aid. But over the last two decades, its economy has pulled itself up literally by the bootstraps, and in 2020, was the fastest growing in South Asia.

Bangladesh's economy grew by 5.2 per cent in 2020, and is expected to grow by 6.8 per cent in 2021. The country has managed to pull millions out of poverty. Its per capita income just overtook India's. This may be the first time that Bangladesh is extending a helping hand to another country, so this is a landmark of sorts. Bangladesh's forex reserves in October, 2021 were a healthy \$46 billion. In 2020, despite fears that the pandemic would hit remittances, Bangladeshis living abroad sent over \$21 billion.

The Central Bank of Sri Lanka (CBSL) will hand over an equivalent amount of its currency, which depreciated about 7 percent against the US dollar this year. The BB will open an account with a bank in the South Asian country to keep the sum, which will be around 49.5 billion Lankan rupees, said the BB official. The amount would be used for import payments, the high-up pointed out. Bangladesh's import bill with Sri Lanka is \$50-55 million a year, the official said. The CBSL is expected to return the amount in three months at the interest rate of LIBOR plus 2 percent. If the tenure goes up to six months, the interest rate will be LIBOR plus 2.5 percent.

This currency swap agreement is a good deal for the BB, according to the official. The injection of dollar from Bangladesh would be a great relief for Sri Lanka, which has \$3.7 billion of foreign debt maturing this year. It had about \$4 billion in foreign currency reserves at the end of April. The coronavirus pandemic has deprived Sri Lanka -- whose economy contracted 3.6 percent in 2020, its worst growth performance on record -- of important sources of foreign currency such as tourism and exports.

Former Bangladesh Bank governor Atiur Rahman said the risks of currency swap are very low. Even if Sri Lanka fails to repay, he said, the two countries can adjust the amount in their trade. It will also help Bangladesh gain points in credit ratings. In this sense, the currency swap agreement will play a win-win situation for both countries.

**Data Source: Bangladesh Bank**

**Q37. Discuss briefly the major aspects of the 8<sup>th</sup> fifth year plan of Bangladesh government.**

At the advent of the fifty years' celebration of our great independence and the joyous Mujib birth centenary, the General Economics Division (GED) of Bangladesh Planning Commission has made colossal efforts to put forward the Eighth Five Year Plan (July 2020-June 2025) before the nation. As a constitutional mandate to attain a just and egalitarian society through planned economic growth, the first Five Year Plan was formulated under the prudent guidance and visionary leadership of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, which laid strong foundation of today's development.

**The major aspects of the 8<sup>th</sup> fifth year plan:**

**1. Macroeconomic Framework**

The 8th Plan will continue the emphasis on prudent macroeconomic management. Thus, the objective of higher growth will be balanced with efforts to further reduce inflation to an average of 5.0% during the plan period. Fiscal deficit will increase in the first two years of the Plan to adjust to the COVID-19 shock. But fiscal prudence will be restored by increasing tax revenues to bring back the fiscal deficit to around 5% of GDP by FY2023. The strong performance in the balance of payments will be preserved by promoting a strong and diversified export base, focused on both goods and non-factor services (NFS). Emphasis on accelerating remittance inflows through new employment and improved skill base will be strengthened. A major challenge for the 8FYP would be to increase the investment rate from 32% of GDP in FY2020 to 37% of GDP in FY2025 to achieve the projected growth targets.

**2. Public investment Programme and its Financing**

Public investment will grow from 8% of GDP in FY2019 to 9.2% of GDP by FY2025 and the total size of the 8FYP Public Investment Program (PIP) will be Tk. 16.1 trillion in FY2021 prices. Of this, some Tk. 11.9 trillion will be funded through the Annual Development Programme (ADP). The main focus of the ADP will be to sharply improve and strengthen health infrastructure, to build the social protection system, alleviate infrastructure constraints to private investment and GDP growth by fast tracking nationally important projects, and implement the BDP2100.

**3. Strategy for Human Development**

From the medium-term perspective, the 8FYP will increase budget allocation of healthcare spending from 0.7% of GDP in 2019 to 2.0% of GDP by FY2025, will sharply increase health care facilities, staffing, equipment and supplies, will strengthen partnership with private sector, enhance district-level health care capabilities, and promote tele-health care through ICT solutions. People's access to safe water and sanitation facilities will be enhanced to improve hygiene standards and protect human health. The 8FYP seek to achieve 100% adult literacy rate and will consolidate past gains in primary and secondary education to accelerate progress in tertiary education. Most focus will be placed on education quality with emphasis on learning and acquiring skills that are relevant to the work place. Primary and secondary education will be decentralized to district level, teacher training will be expanded, private provision of education and training will be promoted, and the education budget will grow from 2.0% of GDP in FY2019 to 3.0% of GDP by FY2025.

**4. Poverty Reduction, Social Protection and Inclusion**

Bangladesh has a solid track record of reducing poverty. Before COVID-19 struck, poverty rate had declined to 20.5% in 2019 and extreme poverty incidence fell to 10.5%. This is a strong

testimony to the success of the development strategies over the past decade. COVID-19 temporarily caused a spike in poverty owing to the loss of income and employment for many poor and vulnerable households. The 8FYP will put top priority to reverse this income loss through job creation and transfer payments with a view to restoring the momentum of poverty reduction to the path envisaged in PP2041, whereby the target is to eliminate extreme poverty by FY2031. Women's labor force participation will be increased through closing the gap between male and female enrollments in tertiary education, better access to training programmes, improving child care availability, improving safety of women's movements and in the work place. The inclusion strategy for ethnic minorities, the physically challenged and the under-privileged groups that face social discrimination on the basis of their profession will remain ingrained as before on the implementation of the Constitution that provides equal rights and opportunities to all citizens irrespective of race, religion, caste, creed or profession.

### **5. Strategy for Infrastructure Development**

The 8FYP would put special emphasis to improve the inter-modal transport balance, where progress was limited during the 7FYP, with greater emphasis on inland waterways that are low-cost in nature and are environment friendly. The importance of transport, especially air transport, for tourism would be emphasized with a focus on strengthening inter-district airline connectivity and the construction of a new international transport.

### **6. Digital Bangladesh and Information Communications Technology (ICT)**

Higher service cost owing to taxation lowers consumer demand, thereby constraining the adoption of ICT services. This taxation problem will be addressed speedily to enable stronger progress with ICT during the 8FYP. Public investment will focus on the supply of fixed infrastructure while public policy will facilitate the private sector expansion of mobile phone technology to unserved areas, incentivize the use of mobile technology, especially in rural areas, and support a more rapid growth of higher value-added mobile services such as internet, video phone and data services. Special effort will be made to augment ICT education and availability of skilled ICT staff. Emphasis will be placed on development of ICT software for exports through investments in Technology Parks and public investment in ICT research and development.

<b>8TH FIVE-YEAR PLAN</b>					
<b>POST-COVID DEVELOPMENT RESULT FRAMEWORK OF THE PLAN</b>					
<b>INDICATOR</b>	<b>TARGET 2021</b>	<b>TARGET 2022</b>	<b>TARGET 2023</b>	<b>TARGET 2024</b>	<b>TARGET 2025</b>
Annual growth rate of GDP per capita	7.69%	8.11%	8.53%	8.96%	9.39%
Gross national savings (% of GDP)	31.56	32.35	32.98	33.68	34.77
Gross investment (% of GDP)	33.58	34.49	35.28	36.16	37.44

**THE BUSINESS STANDARD** 

The main objective of the Eighth Five Year Plan is to start the implementation of PP2021-2041 in a way that it brings Bangladesh closer to the goals of achieving UMIC status by 2031 and attaining SDGs targets through managing the challenges of LDC graduation, which will also help to eliminate extreme poverty by 2031.

**Data Source: plancomm.gov.bd**

**38. Will the metro rail help to solve Dhaka's traffic problem? - Critically discuss.**

***“Moving people, saving time and energy.”***

**-Slogan of Metro Rail Project**

Hope is high that when Metro Rail Transit (MRT) finally arrives in Dhaka, the capital city's legendary traffic congestion will ease off. Near Bijoy Sarani or in Mirpur or other places, attractive signposts proclaim: *"The dream of MRT will soon become a reality in Dhaka," "MRT will be the most time-saving way of getting around," "MRT will be the most cost-effective and environmentally sustainable mode of transportation,"* and *"With MRT school children will be able to reach their schools on time."* All of these statements are true. But these truths may not solve the actual problem.

The key question before us now is: will the metro rail live up to its promise? Will it mitigate Dhaka's traffic catastrophe? If it does, it will be wonderful. Money spent well. But what if it doesn't? Why? What will have gone wrong? There should be a robust policy conversation on post-MRT Dhaka and its promises and perils. At present, this conversation rarely exists. Everybody seems satisfied with the assumption that the grand transportation solution is coming and urban sanity would finally return to Dhaka streets. There is almost no acknowledgement of other undesirable possibilities. But they should be considered in order to avert them.

Nobody seems to be questioning whether infrastructure, on its own, truly has the capability to be a solution to a problem as socially complex as traffic congestion. The success of an infrastructure like metro rail is also contingent upon a host of other factors: people's willingness to adapt to a lifestyle based on public transit; affordable train fare; easy accessibility to metro stations; user-friendliness; metro rail's integration with other modes of transportation and relationship to the city's land-use pattern; distance between home and train station; transportation options from home to train station; parking options around metro station; pedestrian infrastructure like footpaths leading to metro station; gender sensitivity; and, last but not least, whether the status-conscious middle-class would sacrifice its love of personal cars to embrace mass transit as its mobility choice.

The UK-based global consultancy Halcrow Group undertook a study on mass rapid transit in 13 developing countries and came to the conclusion that cities in those countries witnessed very little reduction of traffic congestion after the introduction of metro systems. This doesn't have to be Dhaka's case. Dhaka could take preemptive measures to put MRT on a path to success.

The city administration's first step towards this goal should be understanding what the MRT is and what it is not. The MRT cannot be thought of as a one-dimensional infrastructure, unrelated to the social patterns, norms, and cultures of the city and other forms of *"soft"* infrastructure like footpath or *"para transit"* like car pools or shared rides from home to station. Simply building a futuristic metro rail may not solve the road congestion problem. It may well become a glamorous but cost-ineffective concrete serpent hovering over the city. We need to learn from the flyover effectiveness in Dhaka and Chattogram. Are flyovers alleviating traffic congestion in our metropolises?

There should be comprehensive planning in which MRT is seen as one piece of the urban-mobility puzzle. For instance, how are people expected to get to the metro station from their neighbourhoods? Has this been factored into the design and sitting of metro stations? How are

the metro stations integrated with public and private bus lines? Will there not be traffic congestion around the station during peak hours, in the same way schools create massive traffic clots during morning rush hours? To mitigate this common problem, cities around the world typically seek to cluster high-density housing around transit stops, so that people can simply walk to the metro station, decreasing the reliance on private vehicles. People should have abundant affordable housing options around MRT stations.

Most of all, instead of simply glorifying MRT as the ultimate panacea for the city's chaos and congestion, there must be robust social campaigns to develop city-dwellers' "socio-urban capital," a combination of behavioural transformation toward civic mindedness, propensity for low-carbon lifestyle, walk ability and the public's willingness to shift from personal automobiles to mass transit. City people's socio-urban capital can be increased by a combination of social movements, popular advocacy, people-centric urban design (for instance, an integrated footpath system), and a safe, attractive, and accessible public transit.

Ironically, severe traffic congestion can be a sign of economic prosperity. The question is, would the rising middle-class embrace a mobility lifestyle based on metro transit? It may be entirely possible in Dhaka that MRT will be packed with people, while roads below will be even more congested. This is what happened to Bangkok. Perhaps Dhaka's most devastating problem is overpopulation. Will the MRT's success depend on the decentralisation of Dhaka? A vigorous conversation on post-MRT Dhaka should begin now.

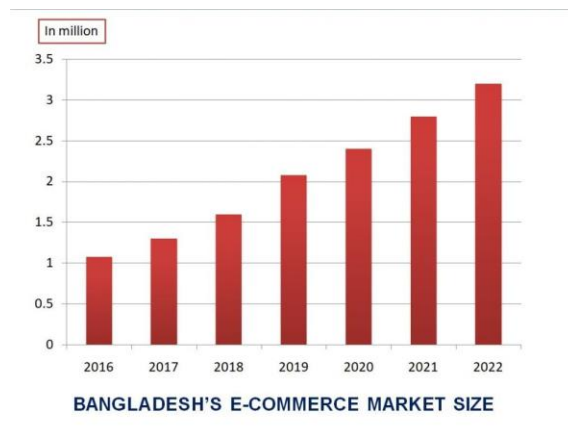
Smart Preparation for Bank Jobs

**Q39. The controversial activities of Evaly will leave a negative impact on the overall financial stability of the country. - Explain.**

***"Both current liabilities and losses of Evaly are steadily increasing and the company is caught in a vicious cycle of current liabilities and losses. The constant rise in liabilities puts the organisation at risk of collapsing,"***

**-Bangladesh Bank report.**

**E-commerce company Evaly's ever-increasing liabilities caused by a reportedly flawed business strategy – unusually high discounts in products and cashback offers incurring huge losses – has exposed it to the risk of collapse.**



**Source: Statista**

According to an inspection report of the central bank, Evaly's liabilities to customers and merchants have risen to Tk 403.80 crore, while its current asset is only Tk65.17 crore. The report says till 14 March this year, Evaly did not deliver products against a cumulative sum of Tk213.94 crore in advance payments from customers. Moreover, the company owes Tk189.85 crore to the merchants from whom it bought products. In other words, with all its current assets, Evaly can repay only 16.14% of its total liabilities or only one-third of the liabilities to the customers.

The company has been making losses since its inception and the amount of losses has been increasing over time. To repay previous liabilities and cover up losses, Evaly is raising money from customers by attracting them through various lucrative offers – such as 'Cyclone', 'Earthquake', etc – and selling products at large discounts or at prices below the market costs. The gap between the company's assets and liabilities has grown abnormally and it is constantly making arrangements to pay off old liabilities by creating new liabilities – increasing liabilities to customers and merchants. The company is constantly coming up with higher discounts in products and other offers to attract new customers, widening the gap between its assets and liabilities.

Evaly's liabilities to merchants are increasing abnormally even after taking advance payments from customers, since the company is selling products at prices below the buying rates. Selling products at huge losses is likely to create unhealthy competition in the e-commerce sector, which

will encourage other companies to follow the same process. As a result, other e-commerce traders will suffer and at some point people will lose confidence in this.

According to Evaly's statement of financial position given to the inspection team of the Bangladesh Bank, the total assets deficit of the company as compared to total liabilities (excluding equity) as of 14 March this year was Tk315.49 crore, current asset deficit (excluding equity) as compared to the current liabilities was Tk342 crore. In other words, the total asset of Evaly is only 22.52% of the total liabilities of the company and the current asset is only 16.01% of the current liabilities. The company has fixed assets worth Tk26.51 crore against a paid-up capital of Tk1 crore, but it has no long-term liabilities.

The Bangladesh Bank states that such inconsistency between total assets and total liabilities, huge deficit of current assets as compared to current liabilities, and the process of creating fixed assets from current liabilities indicate faulty asset-liability management of the company.

In case of failure to deliver a product within 45 working days of receipt of the purchase order, Evaly, in some cases, refund the customer with the market price of the product (which is more than the paid price) instead of its reduced price and publicise this through different media. As a result, a large number of customers are attracted to Evaly in the hope of buying products at lucrative discounts or getting back a lot more money against the paid prices. Evaly has put the money of its customers at risk by giving huge discounts using a huge amount of money received in advance payments from the general customers.

A company may make some losses in the initial stage after starting operations. But increasing the number of customers by continuously making losses with a rather small capital and paying off old liabilities by creating new ones expose a company to grave risks and indicate a lack of efficiency in financial management. No acceptable plan or possibility to overcome this liabilities in the near future was observed during the BB inspection, adding that there is a risk that the organisation may collapse due to its continuously increasing liabilities.

From the above discussion, we can naturally say that, as the arrears to customers and merchants continue to rise, there is a risk that a large number of customers and merchants will go unpaid at some point of time and this is likely to have a negative impact on the overall financial stability of the country.

**Q40. "While Bangladesh always considers and acts as the friendliest neighbour, India seems to fall short of thinking in the same way". - Explain the argument.**

***"Bangladesh is the India's most friendly neighbour"***

**-Indian journalist Shekhar Gupta**

The IMF disclosure debunks the myth of Bangladesh always being the poor, underperforming, help-needing, threat-posing neighbour and should make him, and others who may harbour similar views, reassess their positions. India's poor economic performance of late undoubtedly calls for serious introspection within the Indian society, including the way it thinks about its neighbours. The best way forward would be to come out of their own myths about Bangladesh.

The overriding myth that generates many others is that of Bangladesh not being a dependable neighbour, that we are an ungrateful lot and have forgotten the role India played in our birth, and that we need constant watching lest we go astray. This myth of undependability makes India look with suspicion every time we take a step that does not meet with its own narrative as to what Bangladesh should do. The issue at hand concerns our relations with China. Every time it accepts Chinese funds or aid, Bangladesh is looked upon with suspicion by India. Or counterintuitively, such relationships with China is seen as not being a good neighbour to India. But politicians and the media in India should recognise that Bangladesh, because of India's historical role in its Liberation War of 1971, always considers India its greatest friend—and that has been made explicitly clear under the current administration.

According to Ali Riaz, Distinguished Professor of Political Science at Illinois State University, Bangladesh has "assiduously met India's demands of providing free transit to Indian goods"—without even asking India to cover for the increased cost of maintenance for Bangladesh, arising from granting India the facility; it has allowed India "the use of Bangladesh's ports, setting up a coastal surveillance system radar in the country", permitted "withdrawal of water from the Feni river;" as well as played an important role in supporting India's counter-insurgency efforts in the northeast.

On the other hand, many "legitimate claims against India by Bangladesh have been brushed aside by India." Among these is the most obvious—India's failure to finalise the Teesta River water sharing deal with Bangladesh. But that isn't the only one. India has recently passed an amendment to its citizenship laws which made it easier for non-Muslim migrants from Bangladesh (as well as Pakistan and Afghanistan) to acquire Indian citizenship—which has garnered some controversy. That, along with its registration programme in the north-eastern state of Assam, which some fear could spark an exodus of Muslims in India into Bangladesh, prompted a number of questions and concerns in Bangladesh. Its delay in granting Bangladeshi goods duty free access to the Indian market and the sudden imposition of import restrictions on Bangladeshi jute, despite protests against it from Indian businessmen, have been disappointing.

India's reasoning, in all these cases, was that it was looking after its own interest. But then, why can't Bangladesh accept Chinese funds for projects that serve Bangladesh's interests? Why must Indian political elites—while propagating how special India's relationship with Bangladesh is—question Bangladesh's loyalty and friendship with India at the same time?

Even when it came to Chinese involvement in the development of a deep-seaport in Bangladesh, Bangladesh took India's concerns into consideration, and went ahead with Japanese assistance,

instead of China's. But India still showed reservations or gave objections to other instances of Bangladesh-China cooperation, even though such cooperation posed no direct threats to India's security.

China and India are Bangladesh's biggest trading partners, with annual trade deficits of USD 12 billion and USD 8 billion, respectively—Bangladesh exports around USD 1 billion to each country. Bangladesh, therefore, would most certainly like to have good relations with both—and perhaps going a step further, hope for good relations between China-India.

Bangladesh cannot escape the geographical reality that it is almost completely surrounded by India with a 4,096 kilometre shared border. As such, cordial ties with India is critical for Bangladesh's economic development and national security. At the same time, it is in Bangladesh's interest to also reach out to its Chinese neighbour—or any other country that is willing to help for that matter—for developmental assistance and economic support. And that is all it has been doing.

Thus, if the Bangladesh-India relationship (which is good as it is) is to reach the next level, it is India that has to take more of an initiative. Instead of making provocative remarks about its neighbour, India should talk to Bangladesh, and try to figure out mutually beneficial pathways that can help both countries to carve out a better and more prosperous future for their people. At the end of the day, the two countries share many similar challenges—which means mutual cooperation is in both their interests. But the ball, quite clearly, is in India's court.

Smart Preparation For Bank Jobs

***Q41. Describe the goals of COP26 and its relevance to Bangladesh's apparel industry.***

***"You can't do business on a dead planet."***

The 26th UN Climate Change Conference (COP26) started in Glasgow, Scotland. Bangladesh, appropriately, is being represented at the global climate event by a delegation from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led by President Faruque Hassan. The goals of COP26 are, after all, pertinent where the global apparel industry and its supply chains are concerned.

COP26 sets four overriding goals, which are pertinent to us as apparel makers. The goals are:

- a) To secure global net zero emissions by mid-century and keep the global temperature rise under 1.5 degrees Celsius, in line with the Paris Agreement;***
- b) To adapt and protect communities and natural habitats;***
- c) To mobilise finance; and***
- d) To work together to deliver (partnerships).***

The first goal is highly relevant to garment supply chains. Every major fashion brand has set targets around carbon emission reductions, and these are aligned with the targets set out in the Paris Agreement. According to the findings of the **McKinsey report in 2018**, the global fashion industry emitted about 2.1 billion metric tonnes of GHG—which is equivalent to about four percent of total global GHG emission. The fashion industry has to reduce its GHG emissions by 1.1 billion metric tonnes of carbon equivalent by 2030. Unfortunately, at the current trajectory of its GHG emission, the targets of 2030 will not be met.

To achieve greenhouse gas (GHG) reduction goals, the fashion industry needs to work closely in collaboration with its suppliers. This includes supporting supply chains in the shift towards the use of renewable energy as well as better, more efficient technologies. It also entails, at a broader level, phasing out "dirty" energy from the industry, including coal. The net-zero goal is also relevant for our RMG sector. COP26 and its focus on the mitigation of human-induced GHG emissions have major implications for climate vulnerable economies, such as Bangladesh.

The second goal, which is to adapt and protect communities and natural habitats, includes protecting and restoring ecosystems, and building resilient infrastructure and agricultural systems to avoid the loss of homes, livelihoods, and even lives. It is commonly stated that fashion is one of the most polluting industries in the world. Much of the reason behind that is the supply chains, which are dependent on the use of dyes and chemicals, as well as the application of potentially polluting industrial processes. It has become apparent that the climate is already changing, and ecosystems are being disrupted to an alarming degree.

In the apparel sector, we can do our part by moving towards the use of best available technologies in areas such as wastewater treatment. This will enable us to limit the flow of potentially harmful chemicals into our rivers and waterways. We can also shift towards less wasteful production methods, which create excessive textile waste for the environment. Investment in new technologies and shifts towards recycling are the key moves here. This brings us to the third COP26 goal, which is mobilising finance. To deliver on our first two goals, the

leaders of COP26 have called on developed countries to mobilise at least USD 100 billion in climate finance per year. They also suggest that the international financial institutions play their part in helping to channel trillions of dollars in private and public sector finance required to secure global net zero emissions.

This is why it is so important that the key movers and shakers of Bangladesh's economy are in Glasgow. They have to make the case for Bangladesh as a green investment hub. Supply chains are critical where emissions are concerned, but suppliers do not have the finance to do this on their own. They need support from their buyers, governments and the global investment community to implement new technologies and different ways of working.

We would like to see COP26 as a catalyst for Bangladesh's garment sector to further its cause as a worthy hub for grant and other funding from the likes of the World Bank, the International Finance Corporation (IFC) and other global financial institutions which, working in collaboration with multinational retailers, can help bring about genuine change in our industry.

The final goal is partnership. *"Work together to deliver"* is the message of COP26, the argument being that we can only rise to the challenges of the climate crisis by working collaboratively. But are we all ready to embrace this new, collaborative way of working in garment supply chains?

So far, we have seen some examples of this, but to be honest, the old adversarial approach to buyer-supplier relations is still evident across swathes of the industry. If we genuinely want COP26 to be the agent of change it surely needs to be, collaboration and partnership between apparel buyers and suppliers are a key to success. Only this can ensure a fashion industry we can all be proud of, and from which we can all continue to prosper.

Smart Preparations for Exams

***Q42. Discuss the importance for green transition in our apparel sector for the sake of environmental sustainability.***

In today's world, business is not only about profit, employment, income, and growth. Hence, it is not only about economic sustainability—it is also about social and environmental sustainability. One may refer to the findings of a McKinsey report in 2018, which indicated that the global fashion industry emitted about 2.1 billion metric tonnes of GHG—which is equivalent to about four percent of total global GHG emission. The fashion industry has to reduce its GHG emissions by 1.1 billion metric tonnes of carbon equivalent by 2030. Unfortunately, at the current trajectory of its GHG emission, the targets of 2030 will not be met.

The RMG sector is one of the major driving forces of the Bangladesh economy. It is the source of employment and income for about four million workers, the majority of whom are women. It is a key source of foreign exchange income. Currently, about 81 percent of export income comes from this sector. Bangladesh is the second largest exporter of apparels in the world, following China. During the ongoing Covid-19 pandemic, the sector faced challenges in terms of reduced exports due to the nationwide lockdown in an attempt to contain the spread of the coronavirus, and also cancellation and postponement of orders by a number of international buyers. However, as soon as the global markets started to open up, RMG exports started to pick up too. In recent months, the growth of RMG exports has been significant. In September 2021, RMG exports grew by 41.7 percent compared to the previous month.

Bangladesh is a small player in the global fashion industry. In fact, Bangladesh's national contribution to global GHG emission is 0.45 percent. However, despite its negligible GHG emission, Bangladesh has to play its part and make efforts towards the green transition of its economy, including the ready-made garment (RMG) sector. Producers, buyers and consumers worldwide are more aware of climate and environmental issues than ever before. Hence, sustainability has become a core agenda among brands. Many high-end brands have also started using recycled fabrics. Over 40 brands have committed to cut their GHG emission by 30 percent within 2030.

The RMG sector is not only human resource-intensive, but also natural resource-intensive, at every stage of the life cycle. The sector generates large amounts of waste—it requires volumes of clean freshwater for washing, dyeing, and finishing (WDF) of textiles. The textile sector is also energy-intensive. For WDF-related activities, hot water and steam have to be generated, which contributes to GHG emission. Besides, a number of harmful chemicals—including nitrous oxides, sulphur dioxides, carbon monoxide, and chlorine dioxide—are also released from factories through various activities. Therefore, the environmentally sustainable production process in the RMG sector involves waste management, water conservation, and energy efficiency.

The government of Bangladesh is committed to achieving higher economic growth in an environment-friendly manner, and will work to reduce the impacts of climate change. Its medium- and long-term plans, such as the eighth five-year plan and the Bangladesh Delta Plan 2100, have spelt out strategies and action plans in that direction. Among others, monitoring and controlling pollution, higher investment in industrial effluent treatment plants, and the adoption of cleaner technologies for economic activities are among the few important promises of the government.

In the recent past, Bangladesh's RMG sector took a number of initiatives towards a green and sustainable industry. The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) signed the United Nations Fashion Industry Charter for Climate Action in 2019 with the UNFCCC for reducing GHG emissions by 30 percent by 2030. It also entered into partnership with a number of international organisations to promote environmental sustainability. One of its pledges to be a part of the "Green Button Initiative" of the government of Germany is a state-owned seal on environmental sustainability.

Bangladesh has 148 Leadership in Energy and Environmental Design (LEED) green garment factories, certified by the US Green Building Council. Nine out of the world's top 10 green RMG factories are located in Bangladesh. Also, 40 out of the top 100 green industrial projects in the world are situated in Bangladesh. More than 500 factories are in the pipeline to achieve the green factory status. It must be noted that in a highly cost-competitive environment, it is a challenge to be LEED-certified companies that are designed and built in a way to use less energy and water, have good indoor air quality, and improve the quality of life. These standards are much above the national requirements and are also expensive. Also, RMG factories have entered the Partnership for Cleaner Textile (PaCT) programme of the International Finance Corporation (IFC), which aims to lower environmental impact and resource consumption in the sector. Factories under PaCT have adopted cleaner production practices, which have helped reduce their GHG emissions.

During the last decade or so, the sector has worked towards improving various compliances in partnership with brands. As the country is going to graduate from the Least Developed Country (LDC) status by 2026, the compliance requirements on Bangladeshi exports will become more stringent. With higher commitments of governments and private sectors and higher awareness of consumers around the world, social and environmental issues are taking the centre stage of production and consumption.

Therefore, technology transfer and finance are two major requirements for the green transition of the RMG sector in Bangladesh. Higher productivity and lesser wastage of resources through better technology can reduce cost. However, technological upgradation has to be associated with capacity development of workers as it may lead to displacement of unskilled workers—particularly female workers. Indeed, environmental compliance has to be coupled with social compliance. It has to ensure a decent living for its workers.

Catalysing green finance is crucial for green transformation of the RMG industry through environment-friendly technologies. Higher green investment in the RMG sector will not only make the RMG sector sustainable, but will also help achieve Bangladesh's commitments towards implementing the Sustainable Development Goals (SDGs), including two important SDGs: SDG 12 on responsible consumption and production, and SDG 13 on climate action. Hence, commitments for a green RMG sector are also commitments for intergenerational equity.

**Q43. “Attracting more investment is the key to tackling post-Covid unemployment.” - If the statement is true then how can we attract sufficient FDI in favour of Bangladesh?**

Our country is facing an unprecedented challenge in dealing with the post-Covid unemployment problem, despite steady economic growth over the past few years. The unemployment rate in Bangladesh increased from 3.38 percent in 2010 to 5.3 percent in 2020, according to Statista. More specifically, it jumped to 5.3 percent in 2020—the first year of the pandemic—from 4.22 percent in 2019. A World Bank report published in 2019 revealed that 32 percent of public university graduates and 44 percent of private university graduates were without jobs in the country.

A survey by the Bangladesh Institute for Development Studies (BIDS), conducted between February and June this year, found that 66 percent of the graduates of National University are unemployed. Those (21 percent) who could manage a job have an average salary of Tk 30,000. Seven percent are still pursuing post-graduation, and only three percent have become entrepreneurs. Another survey jointly conducted by the Centre for Policy Dialogue (CPD) and Oxfam in Bangladesh found that 61.57 percent of working people had lost their jobs in March and April last year due to Covid-related shutdown. Even though 15 percent of them returned to their work in a month, the majority of them remained unemployed for a long time. The poor and marginalised people faced, and still face, an even higher risk of loss of livelihood.

The pandemic has had a long-term negative impact on women's employment in Bangladesh. A survey conducted by Brac Institute for Governance and Development (BIGD) revealed that one-third of the young working women in the country were out of jobs as of January 2021, when economic activities resumed in Bangladesh. Several reports have shown that, due to Covid-19, income generation among the working class has fallen remarkably, and the country now has 24.5 million new poor.

Over the past two decades, our working-age population has increased significantly—from 58 percent to 68 percent. About 30 percent of the population is between 15 and 30 years. If the government trains and employs them appropriately, they can open up new economic opportunities. However, if we cannot utilise them, they will become a burden on the economy, especially when our country is already facing a crisis due to the pandemic. On the one hand, millions of young university graduates are waiting to enter the job market. On the other hand, numerous people are losing their jobs and daily incomes. Our government jobs are limited, and the private sector is not large enough to provide employment opportunities to such a large number of people. How should we, then, address this pivotal issue?

A functional approach to expand the job market, foster economic growth and eradicate unemployment would be to attract foreign and domestic investments in various sectors, which is only possible if we create a business-friendly environment. If the government takes necessary initiatives to upgrade the country's position in global business indicators like the Ease of Doing Business (EDB) and the Global Competitiveness Index (GCI), it will boost investor confidence. Once the investors have confidence in our system, they will create new jobs. In the World Bank's Ease of Doing Business 2020 ranking, Bangladesh ranked 168th among 190 countries. Likewise, in the World Economic Forum's Global Competitiveness Index (GCI) 2019, Bangladesh was positioned at 105th among 141 countries.

Whereas foreign investors have invested billions of dollars in countries like Vietnam, India, and Indonesia, we have struggled to retain reinvestments from the already existing companies.

Investors often complain that the bureaucracy in Bangladesh is too convoluted and creates hurdles in business operations. The policies and terms for obtaining approval papers, utility connections, property handling and other relevant business operations create delays and hidden costs that are avoidable.

Besides the bureaucratic hassle, corruption and poor infrastructure, and the lack of skilled labour are some other issues that create an investor-averse environment. As our universities and academics are not closely connected to industries, which is how it is in the developed countries, university curricula offer a set of skills that are often irrelevant to modern workplaces.

Moreover, the increasing use of technology and artificial intelligence is a new threat to job security. A company that previously hired hundreds of people can now run its business successfully using advanced software operated by only a few. Consequently, ensuring employment for a mass population is getting challenging day by day. While the economy has been hit hard by Covid-19, job opportunities have decreased, and the number of unemployed youths has increased, entrepreneurship can be the panacea for all economic ills.

Therefore, we should redesign our education system to empower our youth and create entrepreneurs. The entrepreneurial skills—like taking responsibility, owning a task, management, planning and strategising, leadership, teamwork, problem-solving, critical thinking, financial knowledge, and developing emotional intelligence—should be taught at all levels of higher education, regardless of what the academic programmes are. Simultaneously, foreign policies should focus more on attracting foreign investors. Overall, we must revisit our business policies and improve the ease of doing business in Bangladesh to attract both foreign and local investments.

Smart Preparation for Bank Jobs

***Q44. Describe the negative impact of single-use plastic on the environment and provide necessary solution.***

We are not really aware of how much we use plastic materials in our day-to-day lives. From our daily grocery and vegetable shopping to ordering food online, from buying soft drinks and juices to the much-needed bottled water—we end up using and storing all kinds of plastic and polythene bags, without even realising it. The only time we realise just how much plastic we have piled up is when we try to reuse or discard the empty bags, packets, boxes and containers of food items. While we can reuse some of the materials, most of them cannot be reused and go straight into the garbage bins.

The use of throwaway plastic materials is so pervasive in Dhaka that even the vendors who sell achar or bharta of seasonal fruits on the streets use them without a second thought these days, whereas even a few years ago, they would use sheets of old newspapers to serve street food. Many of the items that we purchase during our rounds to the groceries or the kitchen markets—chocolates, biscuits, powdered milk, sugar, salt, flour, etc—can be packaged in a more environment-friendly way. While one may argue that Bangladesh is not technologically advanced enough to improve the packaging of food items in a way that is eco-friendly and sustainable in the long run, I believe it has more to do with our lack of willingness to do so and less to do with our technological constraints. Our scientists have already invented jute polymer and biodegradable packaging materials from corn, which could be used as alternatives to polythene. Reportedly, jute polymer is not only biodegradable, but it is 1.5 times stronger than polythene, and both water- and air-resistant. Has the government come forward to support the scientists, or taken any steps for mass production of these polythene alternatives? Bangladesh, being one of the major jute producing countries in the world, should have also done more to produce and popularise the use of traditional jute bags among the people.

The result of our indifference is that plastic pollution has increased at an alarming rate in our country. Polythene bags and other single-use plastic items can be found everywhere—from the roadsides and dustbins to the landfills, from the drains and canals to the rivers. According to the Earth Day Network, Bangladesh was the 10th most plastic-polluting country in the world in 2018. Plastic contributes eight percent of the country's waste, which is equivalent to 800,000 tonnes. Reportedly, plastic waste has gone up from 178 tonnes per day in 2005 to 646 tonnes per day in 2020 in Dhaka city alone. Every year, around 300,000 tonnes of plastic waste are dumped into the water bodies and open spaces in the country.

Plastic pollution has become a serious threat to the Buriganga River's survival. While the tanneries that were situated on the bank of the river have been relocated to Savar to prevent the dumping of industrial waste into the river, it has not been possible to save this once-mighty river from plastic pollution. The Turag, the Shitalakkhya and many other rivers flowing through the country are facing similar threats. Reportedly, the dredging of many of these rivers in recent times were obstructed due to the massive amount of polythene and plastic items accumulating at the bottom of the rivers. What is even more concerning is the fact that, every year, about 200,000 tonnes of plastics flows into the Bay of Bengal from Bangladesh, exposing marine resources and fisheries to microplastics, which they consume and eventually die.

The problem is all-pervasive, and resolving this requires a strong commitment from all stakeholders. Stringent actions from the government, public awareness, workable alternatives to plastics and a sustainable plastic waste management system are all necessary to tackle the plastic menace in our country. It is incomprehensible as to why, being the first country in the world to

impose a ban on polythene bag use in 2002, we have failed to enforce it to this day. Despite the High Court ordering the government to strictly enforce the ban across the country through regular market monitoring in 2020, polythene bags are still openly sold and used under the very nose of the law enforcement officials, who take no action against the violators of the rule. Sadly, the government has still not managed to close down the illegal polythene manufacturing factories in the country, as directed by the High Court.

On January 6, 2020, the High Court gave another directive to the authorities concerned to ban single-use plastic products in coastal areas, hotels, motels and restaurants across the country within a year. More than a year has passed since then, but no visible progress has been made on that front either.

It is true that as a country we are still lagging behind in terms of formulating and enforcing regulations to curb plastic use, developing a proper waste management system where plastic waste can be segregated at their sources, setting up recycling facilities, and coming up with more biodegradable alternatives to plastic and establishing the facilities for their mass-scale production. But what could possibly be the reason for not complying with the government-imposed ban and the High Court's directives in this regard?

While we must ask these questions to the authorities concerned, and hold them accountable for not abiding by the state-imposed rules, we also need to raise awareness among the public of the environmental hazards created by single-use plastics and polythene bags. It is also important to look at ourselves, see what we are doing at an individual level to reduce our consumption of plastics and reuse them where possible. Some small changes in our day-to-day behaviour can go a long way in protecting our environment from the curse of plastic pollution.

Smart Preparations Bank Jobs

***Q45. Discuss the adverse impact of the recent fuel price hikes on mass people.***

The announcement of fuel price hike, made on November 3 by the Ministry of Power, Energy and Mineral Resources, could not have come at a worse time. Just when the economy is trying to gear back on track, and people have slowly begun to breathe some fresh air and return to their workplaces—desperately attempting to recover from the economic stress they have been facing because of Covid-19—they are now facing additional challenges. Worse, this is not a challenge from nature; it's man-made. Already, non-food inflation has been rising for the last three months. Prices of essentials have also been on the rise recently. Raising diesel and kerosene prices by as much as 23 percent is now a double whammy on the helpless consumers, who are losers on all counts.

Whenever there is a price hike of petroleum products in the country, the government presents a number of reasons to the people. Those are all well-known reasons. The fact that higher prices would ultimately be passed on to consumers is also a widely practised technique. Then why are such measures taken by the policymakers? One can revisit their arguments to see where the real problem lies.

The international prices of fuel are seeing an upward pressure in view of the rapid recovery attempts by the global economies. As economic activities have increased and are moving ahead with higher consumer demand, there is a shortage of supplies in the market. Thus, higher demand, shortages in supply, and an increase of commodity prices have accelerated the inflation in several developed and developing economies. The International Monetary Fund (IMF), in its report titled "**World Economic Outlook: Recovery During a Pandemic**" in October 2021, predicted that this trend may continue till the middle of 2022.

Fuel prices in Bangladesh are not determined by the demand and supply in the market—the government fixes them. In that case, consumers also deserve the benefit of lower prices in the international market. After all, the losses that the BPC suffers are not due to the customers' fault. It is because of the mismanagement, system loss and weak supply chain in the BPC. Due to its poor governance, the fuel marketing companies get involved in corruption and consumers' interest takes a backseat. Thus, the BPC not only needs to work to improve the fuel pricing mechanism, but also to strengthen the supply chain and procurement mechanism. Nowadays, many countries take part in futures market for commodity trading, including that of petroleum products. Bangladesh cannot take advantage of the low prices in the international market as the existing law in the country does not allow the BPC to take part in the futures market. The country could purchase fuel at a cheaper price in advance when prices are low internationally, and save a large amount of money. Of course, there are risks attached to this—for example, if the price fall is steep and fast, there will be a loss. Can a country like Bangladesh afford that? The answer is, if one takes part in the futures market, everyone has to follow the rules of the game and accept both positive and negative outcomes. Initially, the country can start with purchasing a part of the total requirement through the futures market. Of course, such measures require an outlook change on the BPC's part.

The other common reason given by the policymakers for price readjustment is the lower prices in our neighbouring countries, particularly in India, which creates opportunities for smugglers to take petroleum products out of the country to the Indian border. But what amount of the total fuel reserve in the country is smuggled out? Besides, this is not the fault of innocent consumers. This is, again, a governance issue.

The increased price of diesel is going to affect many sectors of our economy. Diesel makes for 70 percent of the total fuel that is consumed in Bangladesh. Sectors such as road and water transports, power generation and agricultural production are dependent on diesel. It took no time for the transport sector leaders to demand an increase in bus and water transport fares in reaction to the government's decision to raise the diesel price. They said they wanted to make up for the increased fuel price, referring to the loss they incurred during the pandemic. But pandemic or no pandemic, passing the extra cost onto the passengers is an age-old tactic. The irrigation cost is expected to rise, also leading to higher prices of crops and produce, though the farmers may not necessarily be the beneficiaries of higher commodity prices. Consumers will also have to suffer due to the higher costs of goods transportation, since the prices of essentials are expected to rise. Though kerosene is used by a smaller number of people nowadays, the high price of kerosene will impact poor consumers as well.

This is a time when the government should provide some breathing space to the people of the country, instead of increasing prices, so that people can recover better. It could cut taxes on fuel prices for some time, so that the burden on people is lighter, and people could have some time to recover from the pandemic-induced stress. The burden of fuel price hikes will not only fall on general consumers, but also businesses, especially the small businesses who were hit the hardest during the pandemic. The government collects various types of taxes, including value-added tax (VAT), duty, and trade tax, on fuel prices. Such taxes now account for about 30 percent of the fuel price. A part of this could be sacrificed during this difficult period. Such measures are not unheard of: India slashed taxes on petrol and diesel in an attempt to reduce their prices and give some respite to their people. In view of very high electricity and gas prices this year, 20 countries in the European Union took emergency measures that included cuts in energy tax or providing subsidies to poor households.

Transparent pricing mechanism is essential to address unpleasant situations created every time when upward price adjustments are made by the government. Instead of an arbitrary decision from the top, consultation with relevant stakeholders such as transport owners, representatives from the agriculture sector, small traders, and consumer rights associations can help avert the sufferings of the common people.

***Q46. Identify the main reasons behind communal violence in Bangladesh and point out the solution to get rid of this heinous crime.***

***"The fault lies not in our stars, but in ourselves."***

**-Cassius said to Brutus in the act of Julius Caesar written by Shakespeare**

Communal tensions in Bangladesh have recently escalated to an alarming level. During this year's Durga Puja, one of the biggest religious festivals in "secular" Bangladesh, some criminal elements unleashed unfettered violence on the minority communities. Over a period of four days, a group of radicalised individuals, including youths, torched and looted homes of Hindu families in various districts across the country. The festivities turned into a shameful episode for the nation. A country that is known as a land of communal harmony came under scathing criticism from the world community as they condemned the attacks.

In any situational analysis, there is a context as well as a subtext. The current discourse centring around the recent spate of communal violence is more focused on the subtext, rather than the context. And the context here is multifaceted.

Rather than asking questions only about who Iqbal Hossain is and who are his accomplices, or why the police failed to disperse the mob or stabilise the situation, the authorities should also be assessing why this happened in the first place, or how this spread from Cumilla to other regions, including, Kurigram, Bogura, Chapainawabganj, Sylhet, Rangpur, Cox's Bazar, Bandarban, among many other locations spanning the length and breadth of the country. What would perhaps be more productive to ask is what made Iqbal Hossain who he has metamorphosed into: a radicalised man. What led to the creation of such a strong network of religious zealots, or who are the puppeteers?

The government now needs to look at the intel lapses that have resulted in the execution of these well-planned attacks on the Hindu community. There are multiple intelligence agencies in the country who are well-equipped with resources to gather intel, especially those of significance to national security. These agencies, along with the government, need to scrutinise where they went wrong. Were their priorities not right? Did they not have adequate resources to monitor the situation? Could they not anticipate the situation? Did they underestimate the capabilities of the radical elements in the country? Or were they just complacent? These are questions that need immediate answers. At the same time, the government also needs to assess and understand why the nation is losing its secular spirit, and why its people are turning on each other. Where does the foundation of this destructive rage lie?

The answers to these questions perhaps lie in the history of Bangladesh after the heinous assassination of the father of the nation. In 1975, General Ziaur Rahman paved the way for Jamaat-e-Islami Bangladesh to re-enter mainstream politics by lifting the ban on them that had been imposed after the independence of the nation in 1971. Then in 1979, the Zia-led government removed secularism as a pillar of our nation's constitution. Later in 1988, former president Hussain Muhammad Ershad made Islam the state religion. Then, Jamaat-e-Islami Bangladesh became a part of the Khaleda Zia-led BNP government and wielded significant power during their tenure. Even the Awami League government has had to adopt a compromising attitude under pressure from various religious quarters, not least the Chattogram-based Hefazat-e-Islam, which has staged multiple protests against many decisions of the current government.

Even school textbooks were not spared. These books have been "purged" of content written by non-Muslim writers and poets. For instance, in 2017, excerpts from Ramayana were removed from the National Curriculum and Textbook Board's (NCTB) books, meant for study by government school students. Poems by Gyandas, Bharatchandra Ray, Ranganal Bandopadhyay, and Sunil Gangopadhyay were replaced by other poems written by Muslim poets. Why were these changes made? What message did it send to the people? What are we trying to teach our children?

These decisions by various governments over the decades—resulting in gradual deviation from the core pillars of our nation's constitution and its values, secularism being one of them—have sent wrong signals to the fundamentalist quarters and the people in general: one that suggests that the political actors are religiously conservative in their outlook and could be coerced by radical religious groups into giving them leeway for their actions.

This, however, is not how the founders of this nation had envisioned the future. Whatever past mistakes were made need to be corrected. The radical elements and the radicalised people—be it from any religious community—should be given the message that there is no place for communal disharmony or hatred in this country.

While identifying the perpetrators of these brutal attacks, the government should not lose sight of the root of the problems that need to be thoroughly scrutinised and sensitively addressed. The government should also not give the radical groups of other religious communities the chance to exploit this situation to their advantage. And to do this, they need to thwart any future attempts to destabilise its religious harmony.

We like to think of Bangladesh as a land of communal cohesion, a land that cherishes all its people, that is secular and where all of its citizens are equals. This is how it has been since the beginning, this has been the philosophy behind its independence, and this is how it should be in the future.

***Q47. To facilitate post-Covid economic recovery what measures should be ensured in developing countries like Bangladesh?***

While more than seven billion doses of Covid-19 vaccines have been administered around the world—albeit almost 70 percent in developed countries and only two percent in low-income countries—the global economy is expected to see a strong recovery in 2021. The growth projections by international organisations indicate a ray of hope with some of the major economic parameters showing positive signs. For example, the International Monetary Fund (IMF), in October 2021, projected that the global economy would grow by 5.9 percent in 2021 and 4.9 percent in 2022, compared to a negative (-) 3.1 percent growth in 2020. Of course, the uncertainty cannot be overruled since we are still dealing with the pandemic, and its forms and spread are beyond human control. Therefore, such prospects are subject to the level of risks of the pandemic and the management of financial situations in the developing countries, which are struggling more than the developed countries. It is also projected that going back to the pre-pandemic economic situation will take several years.

There has been a lot of rhetoric on building forward a resilient global economy. But what would it really take to recover from the economic shrinkage due to the pandemic? We want to recover the losses and restore growth momentum. But the pattern, type and nature of that growth should be different from the pre-pandemic period, and be new and progressive. I would like to focus on four areas for such a recovery. These should in fact be the preconditions for the post-Covid growth narratives in all countries, particularly those with limited resources capacity.

First, the healthcare system should be made robust by large investments in both physical and soft health infrastructures. We must remember that we are not yet in the post-Covid phase. The pandemic is very much prevalent; there is a huge uncertainty as to when it will leave us, or if it will go away at all. Of course, the majority of the population in developed countries are vaccinated and are probably in less risky situations. But the people in developing and poor countries are still in danger of the pandemic. So, the immediate requirement is ensuring vaccination for all in those countries that are left behind. All eligible citizens of all countries should be fully vaccinated and defeat the virus. This requires commitments and policy actions at the global level, so that vaccines are accessible to the people of the poor countries. At the national levels, respective governments should also take appropriate policy measures for developing robust and efficient healthcare systems which are able to handle critical health crises, such as the pandemic. Such a health system must also be affordable by all citizens, so that they can pay for doctors, nurses and medicines. Higher investment is required, not only for more hospitals, intensive care units, doctors, nurses and health service providers, but also for universal health insurance, so that healthcare services are affordable to the common citizens. This is not only applicable for Bangladesh, but also for many developing countries.

Second, many governments will have to maintain an accommodative monetary policy to support the businesses for some time. During the pandemic, there was a need for expansionary monetary policies as governments across the world announced stimulus packages at various scales to support businesses and individuals. In Bangladesh, such support has helped many businesses and poor people to stay afloat. With economic activities being resumed and consumer demand going up, businesses—particularly the larger ones—have managed to make a comeback. However, the cottage, micro, small and medium enterprises (CMSMEs) have faced the toughest challenge, as they have had little access to finance despite the stimulus packages in place. Due to the informal nature of the CMSMEs, the complicated formalities for bank loans, and lack of information on the stimulus packages, many suffered serious losses and closed down. These small businesses are

sources of employment for many. As the economy aims for higher growth, these businesses will require liquidity support in the form of soft loans from commercial banks. Besides, there is also a need for direct cash support to the poor who could not receive money during the first phase of cash support. Though the economy has started to gear up, high inflationary pressure of commodities has become a concern for the common people, including the poor who are the hardest hit.

Third, higher investment on green projects should be made for future growth to be environmentally sustainable. Investments are essential for job creation. But it is critical to monitor how those investments are made. Infrastructural investments by destroying forests, biodiversity and ecosystem, and burning fossil fuels may add to the gross domestic product (GDP) of the country and create jobs, but the growth is of low quality and not sustainable. To fulfil Bangladesh's commitment for reducing greenhouse gas (GHG) emission and to adapt to the climate-induced risks and disasters, technology is crucial. The private sector, which plays a key role in the economy through investment and employment generation, should take the lead to bring in clean technologies for green growth. Technology should also be coupled with capacity development of the people. For adaptation, public investment plays a vital role. However, developing countries do not have adequate resources for undertaking adaptation measures, which is expensive. This has to come from developed countries as well as the Global Climate Fund. Indeed, developed countries also have the responsibility for technology transfer to poor countries.

Fourth, the post-Covid growth should aim for increased participation of women in the labour force. As of 2020, labour force participation by women is 36.3 percent, according to the Bangladesh Bureau of Statistics (2018). However, 91.8 percent of the female workforce are in the informal sector and earn low income with high job insecurity. During any economic shock, the informal sector workers are the first ones to lose their jobs. Reports have also found that women have been more vulnerable to domestic violence during the pandemic. While designing measures for "building forward better" during the post-pandemic period, the focus should be to have women-friendly policies, so that they can take part in the labour market in larger numbers. Implementations of policies will require higher investment into girls' education and training, and creating a safe environment for them.

Overall, the future growth has to focus on quality, rather than quantity. Inclusivity and sustainability aspects have to be brought to the forefront. Therefore, policies for and perspectives on economic growth have to be changed.

***Q48. "The quality of education is the actual indicator for development or progress of a country."- Explain the statement in the context of Bangladesh.***

There are many examples in world history where a poor nation has changed its fate through development. We don't have to look very far: some of these examples exist nearby. The development process through which Lee Kuan Yew turned the fishermen's village of Singapore of 1965 to the highly-developed country it is today, or how Mahathir Mohamad changed the Malaysia of 1980s to what it is now, hardly needs any elaboration. Japan's development after World War II, since 1945, and South Korea's rise after the Korean War of 1950 are success stories that have taken the world by surprise. Thailand is no different either.

In order to rebuild and develop, all these countries focused on one thing: developing their human resources. They established strong state institutions, using which they reached the height of success they enjoy today. And to achieve all of this, the first initiative that they took was educating all their citizens. At first, they brought in foreign experts with high salaries for a certain period of time to help with nation-building. In the meantime, they sent their young students to Europe and North America for higher education. Once those students returned home, equipped with modern knowledge, these countries no longer needed to hire foreign experts.

After World War II, Europe and the US put more focus on air links. Japan, one of the Axis powers, was barred from making aircraft. But Japan did not sit idle, and instead focused their research on making fast trains. Only 10 years after the great war, Japan managed to invent high-speed trains in 1955, solely through their home-grown experts. They took USD 80 million as a loan from the World Bank to facilitate this project. During the Summer Olympics in 1964, which was held in Tokyo, Japan stunned the entire world by inaugurating their bullet train service. For Japan, as well as all developed countries, education was the prerequisite to development. They put the highest possible priority to education and research in their development policies.

Now the most critical question arises: How much importance has Bangladesh, which is hailed as the role model for development, put in its education sector? Let's not look into what Europe and North America, or Asian nations like Japan and Korea do. Compared to its South Asian neighbours, Bangladesh has the lowest allocation for its education sector. It is generally said that countries with less than four percent of budget allocation for education cannot succeed. Bangladesh's budgetary allocation for education is about two percent.

We don't follow the policy of sending our brilliant students abroad and have them gain expertise through higher education. Those who do that using their own means, seldom think of coming back. But then, the government has no attention to spare to create an environment where those who want to return home are given the due respect, good work environment, and the opportunities to implement their knowledge and expertise. Nepal is ahead of Bangladesh in terms of the number of students going to the US for higher education. No Bangladeshi university has managed to take a respectable spot in any of the international rankings, but we can find the names of Indian, Pakistani, Sri Lankan and Nepali universities on those lists.

The CEOWORLD magazine published a list of best educational systems in 2020, where India was ranked 33rd, Sri Lanka 77th, and Pakistan 83rd. Even Myanmar ranked in the 92nd place. Bangladesh was not even on the list. A recently published news story, published by The Daily Star, revealed that graduates of Dhaka University, who achieved first class in Sanskrit, could not speak or read Sanskrit. And they had applied to teach at the Department of Sanskrit in their alma mater. Speaking to this daily, Dr Madhabi Rani Chanda, a professor at the Department of

Sanskrit, said: "There is no scope for denying the fact that the educational standards in this university are declining day by day. Most of the students score good marks by memorising the answers."

It's not just the Department of Sanskrit; this situation is alarmingly prevalent everywhere in Bangladesh. The pathetic condition of Bangladesh's education sector has been repeatedly exposed in many relevant international researches over the last few years. Bangladesh is ranked 116th among 132 countries in the Global Innovation Index. The Global Talent Competitiveness Index sees Bangladesh in 123rd position among 134 countries. In the Global Knowledge Index, Bangladesh is ranked 112th among 138 countries. In all three of these indexes, Bangladesh trails behind India, Pakistan, Sri Lanka, and Nepal. We claim to have become "Digital Bangladesh," but our internet and mobile data speed is the slowest among all South Asian nations.

In our "role model" development philosophy, education and research have zero importance. What is important is building roads, bridges, flyovers, and buildings. There is no denying the fact that infrastructural development is a staple for overall progress. But we have forgotten that infrastructure provides support for achieving development goals—they are not the markers of development themselves. For sustainable development, we need skilled, tech-savvy human resources, and to achieve that, there is no alternative to proper education and research. Importing expertise from abroad can be a temporary measure, but it can't be a permanent solution. We have built bridges and satellites using foreign expertise. The technology remains unknown to us. The knowledge that we need to train skilled manpower is still beyond our grasp.

Smart Preparation

***Q49. Critically discuss the diplomatic relation of Bangladesh with its major foreign allies.***

The Bangladesh of today is a different state from the one that was so violently birthed in 1971. Once branded as a "bottomless basket," Bangladesh is now hailed as a "South Asian miracle." While economic growth comes with its own challenges—particularly in relation to the huge wealth inequality—the country's general economic development remains positive. Fifty years after its independence, the country is firmly graduating from the category of Least Developed Countries (LDCs), and is projected to become one of the 25 largest economies in the world by 2035. As its economy booms and the balance of world power moves eastward, our role on the world stage becomes more and more prominent every day.

The key factor in Bangladesh's geopolitical play is its geography. The country shares land borders with Myanmar and India. Towards the sea, Bangladesh maintains three—Chattogram, Mongla and Payra—out of the 12 ports in the Bay of Bengal. India, an economically emerging state, spans three sides of the border with Bangladesh and, now more than ever, has a keen eye for Bangladesh's strategies and policies. Due to its geographical position, Bangladesh is a natural link between South Asia and Southeast Asia. Therefore, any regional coordination between the giant trade blocs of the Association of the Southeast Asian Nations (Asean) and the South Asian Association of Regional Cooperation (Saarc) has to include Bangladesh. The country is also a vital geopolitical ally to India, in that it has the potential to facilitate greater integration between Northeast India and Central India.

Bangladesh is uniquely suited in this regard to play a vital role in furthering regional integration, and allowing all neighbouring regions to prosper together. It is also due to this unique geography that Bangladesh is being approached by China. Bangladesh is a prime candidate to partner with China in the hypothesised "String of Pearls" strategy and the formation of the "Maritime Silk Road." China's Western rivals, along with India, are quite aware of this possibility, and have already initiated steps towards building greater ties with Bangladesh. It is also this possibility that has changed Bangladesh's status from decades of geopolitical irrelevance to a key player in shaping the future of Asia.

The diplomatic ties between Bangladesh and India are historical. Since the Awami League came to power in 2009, bilateral relations have peaked between the two countries. But some unsettled issues still remain, such as water disputes, border killings, religious tension, and maritime border disputes. Since the beginning of the Covid-19 pandemic, we have seen high-level talks between the top leaders of the two countries. India has played "vaccine diplomacy" to gain the trust of its allies. Part of this policy was to send vaccines to Bangladesh as a top priority. However, when the second wave of Covid hit India, they decided to defer the supply. Seeing this sudden pause by the Indian government, China became preferential in delivering vaccine doses to Bangladesh. A significant amount of the delivered vaccine doses were gifts, while the rest were commercial commitments.

The unpredictable foreign policy of Donald Trump created a vacuum in the relationship between Bangladesh and the US. During the Trump era, the presence of the US in the South Asian region was not sufficiently visible. However, the Biden administration already appears to have been re-arranging and re-engaging with the Asian nations to uphold their influence in the Asia Pacific region. In such circumstances, it would be imperative for Bangladesh to observe the US motive, and avail any opportunity of enhancing diplomatic ties and acquiring a more active role in the Indo-Pacific theatre. The ongoing arms race between the navies of Myanmar and Bangladesh will prove crucial in maintaining regional stability in the days to come, and both India and China

stand to profit greatly from the sales. It should be noted that even though Bangladesh has bought submarines from China, it is also actively participating in joint naval exercises with India—just another example of the diplomatic balancing act in play.

Another major diplomatic hurdle for Bangladesh is the ongoing Rohingya refugee crisis. The country currently hosts more than a million displaced Rohingyas from neighbouring Myanmar. Since the inception of the crisis, efforts made by the Bangladesh government for Rohingya repatriation have been inadequate. Decisive diplomatic actions must be there to accelerate the repatriation process. The willingness of the Myanmar government to provide repatriation seems uncertain, while the United Nations and other international humanitarian agencies don't appear to be proactive enough. It is high time for Bangladesh to tighten its relationship with the Western states and urge proactive initiatives in the negotiation process for Rohingya repatriation.

Bangladesh maintains a historical relationship with the UK as a Commonwealth nation. Since independence, the UK has been a significant development partner of Bangladesh. The UK appeared to be one of the major countries that condemned the Rohingya genocide and continued with its Myanmar sanctions. Bangladesh will require solid political support from the UK to take the Rohingya issue to the international arena.

The European Union (EU) is Bangladesh's largest trade partner. The EU's aid to Bangladesh also accounts for 40 percent of the total aid that the country receives from the rest of the world. Although the EU-Bangladesh relationship seems aid-centric, there are other areas to work on to realise this relationship's full potential. Since the Biden administration took office, the US' position in Europe has changed. Most recently, the introduction of AUKUS has created havoc in the region. In addition, the Angela Merkel era has come to a close. The introduction of new leadership in Germany will undoubtedly reshape the political stance of the EU in the world order. Geopolitical shifts such as these might give Bangladesh a chance to work closely with the EU in the new format.

Bangladesh has so far been practising a balanced foreign policy strategy. It must maintain a middle-ground approach instead of leaning towards anyone too much. Tectonic shifts in geopolitics are happening even as you read this. Every day comes with new opportunities, while every year comes with new challenges. By analysing the present geostrategic reality, Bangladesh needs to find justification for its current status in the global political realm. Exploring new opportunities in this new geopolitical pendulum is crucial to surviving the challenges that lie ahead.

***Q50. Discuss the importance of effective town planning in the context of Bangladesh.***

Town planning is both a science and an art of designing and developing urban areas. The job of town planners is to make a city both aesthetically attractive and optimally functional. A planned city can attract private investment and ensure a higher rate of employment and growth. However, a well-thought-out plan requires a multi-disciplinary approach and contributions from a variety of experts, including urban and regional planners, architects, civil engineers, environmentalists, geographers, transport engineers, hydrologists, surveyors, economists, water and sanitation engineers, and even agriculturists. Again, an effective plan needs thorough research to understand the trends of city growth, surrounding environment, transportation network, urban management system, and financing mechanism. The planning has to be a participatory process, so it should take inputs from the landowners, businessmen, public officials, local government representatives, working people, politicians, and professionals.

Just like planning an urban area is vital, its proper implementation is also critical in achieving the desired space for its residents to enjoy living there. However, both the planning and implementation processes could go wrong—and that's what is happening in Bangladesh. There has been plenty of criticism for our failure in formulating good town plans and ending up with poor physical environments. If we look back, we can see that our master planning methods and processes have not been appropriate, and as a result failed to produce the desired outcomes.

It is important to note that out of several hundred cities and towns of various sizes in the country, only the four largest ones have undergone full-scale master planning exercises followed by their implementations: Dhaka, Chattogram, Rajshahi, and Khulna. The master plans of many other cities have been prepared in recent years, but their use is still very limited. A master plan lays out the uses of the land—such as housing, offices, businesses, industries, administrative areas, schools, hospitals, roads and streets, open spaces, etc—keeping the future projected development pattern of a city in mind.

Planning is an essential prerequisite for the orderly development of a city. A set of planning standards are followed in formulating a master plan. In Bangladesh, the town planning processes have been unnecessarily long. The physical feature surveys and preparation for detailed land-use plans take an inordinate amount of time to complete and get approved by the government. After the first master plans of Dhaka and Chattogram cities were prepared in 1959, followed by the Khulna city master plan in 1961, the decision to develop the second set of plans came after a long time—in the early 1990s. The Rajshahi city master plan, which was prepared in 1968 and then updated in 1984 and again 20 years later, in 2004, were somewhat better implemented due to the cooperation between the Rajshahi City Corporation and the Rajshahi Development Authority.

The first master plan of Dhaka city (1958-1978) was implemented to some extent, establishing several housings, businesses and industrial zones like Tejgaon industrial estate, but the successive plans failed to keep pace with the fast population growth, and the demand for serviced land far exceeded the supply. Higher population density in the core areas of the city produced conditions unfavourable to rebuilding and renovation, and unfortunately, failure to come up with a good plan since 1978 caused a great setback for the city's proper growth. Even the current Dhaka Structure Plan (2016-2035) has not considered the issues of water-logging and traffic congestion properly.

Interestingly, the town plans have a long-term span of 20 years without having medium-term plans corresponding to the national five-year plans. During this long period of time, the urban scenario changes, and the plans become obsolete. The plans are static and, although Section 74 (2) of the Town Improvement Act, 1953 allows to amend the plans when required, there is no mechanism to constantly review and update them based on the realities on the ground.

While the problems of urban living are dynamic in nature, the urban planning concept adopted by the city development authorities has been static, which is not appropriate to tackle the everyday challenges of our cities. The most critical challenge posed by the master plans is related to the forecasted population of the cities and their infrastructural needs. The actual population growth far outpaced the projected growth of the cities and upset the development proposals in the master plans. Although this was discussed among the planning professionals and policymakers during the 1980s, the subsequent plans did not become dynamic in approach and failed to address the ever-widening challenges posed by rapid urbanisation.

Again, not many consultations were held with the key stakeholders during the planning process, so the master plans turned out to be a top-down exercise. The master plans were also not followed up with development and investment plans. Adequate public control over future development has not been built into the plans, and thus private interests ultimately dictated the horizontal and vertical growth of the cities. This ultimately caused a significant deviation from the plans, but most of it went undetected because of the lack of an effective monitoring mechanism. One major reason for this is also the non-involvement of the private sector in the planning process and securing their buy-in for development of an aesthetically attractive city when the state's control in managing the urban space declines.

The resources estimated in the plans are found to be unrealistic—the actual outlays far exceed the suggested cost of infrastructure and services. One of the fallouts of this weakness in the plan is delay in implementation of major roads and infrastructure, and even housing projects, such as Purbachal and Uttara residential areas in Dhaka. The town plans need to be formulated on time, be realistic, take care of critical urban issues, and be updated as per requirement. The plans must be adhered to and funded adequately.

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