INTRODUCTION

At the dawn of the twenty-first century, the world is awakened to a new series of phenomena and developments of far-reaching consequences. One of the most significant, in this regard, is the accelerated process of globalisation. While movements of goods and services, labour and capital, information and ideas, across national borders are not new; its acceleration in the last decade or so marks a qualitative break with the past. The process is also all-pervasive. Not only the markets for goods, services, and capital are being globalised, the process also embraces such areas, like information, technology, socio-economic, politico-cultural and even moral spiritual institutions, ideas and values. No country, no region on earth, can remain outside the reach of the globalisation wave that is sweeping the world. As a consequence, the world today is more integrated than ever and the process of integration is accelerating further and further.

With the process of integration, nations of the world are becoming more and more interdependent. Hence, the need for cooperation among the nations – big or small, rich or poor – is ever increasing. The phenomenon has opened a host of tremendous opportunities and posed severe challenges to all the countries, including the developing countries like Bangladesh. As envisioned in the World Bank report on Global Economic Prospects and Developing Countries, 1999, increasing integration of developing countries into the global economy represents a major – perhaps the most important – opportunity for raising the welfare of both
developing and developed countries over the long term. The report also emphasised the need for preparedness to face the challenges.

Viewed in this perspective, implications of globalisation for developing countries, like Bangladesh, in terms of opportunities as well as challenges are enormous. The opportunities include wider markets for trade, an expanding array of exportable commodities, larger private capital inflows, and improved access to information, technology and management. These are accompanied by tough challenges with the central issue being how to prepare the country to avail the opportunities. The tasks facing Bangladesh, in this regard, are literally gigantic: adopting and maintaining a liberal trade and investment regime, devising ways and means of facing competition in trade, maintaining the confidence of investors both domestic and foreign and so on. In this setting, sound economic policies command a rising premium; the payoffs are larger, but so are the penalties for policy inaction or errors. Thus, the ultimate challenge is to devise ways and means of transforming the country into an agent as well as beneficiary of the process of globalisation through cultivation of trade and investment opportunities or, so to speak, development co-operation with the outside world, developed countries in particular.

In the era of globalisation, Germany remains one of the most significant development partners of Bangladesh, particularly in terms of trade and aid relations. Exports from Bangladesh to Germany amounted to US$404 million in 1998 from US$108 in 1990, nearly a four-fold growth during the period. In 1998, Germany figured as the second-most important destination of Bangladeshi exports, next only to the United States.

However, investment co-operation between Germany and Bangladesh remains far below the potentials of both the countries. During the last 27 years German private investment in Bangladesh stood at little more than $20 million. The reasons behind the poor
attractiveness of German investment could be many. Lack of awareness of the opportunities, facilities, potential benefits of investment, uncertain political environment, domestic market condition might be few to mention.

German official development assistance to Bangladesh started in 1972/73. The total aid disbursed so far amounts to US$1.6 billion, all in the form of grants. In terms of total funds disbursed during 1972/73-1997/98 Germany is the 4th largest bilateral donor of Bangladesh (after Japan, USA and Canada) and the 7th largest overall (after IDA, ADB, UN System and the just mentioned three countries). In addition, Bangladesh has received substantial German aid funds through multilateral organisations such as the World Bank, the Asian Development Bank, European Union and various UN agencies, and some funds also through various private German Foundations and non-governmental organisations.

In the context of Bangladesh’s development co-operation in general as well as that with Germany in particular, a number of questions loom large. Whether and how far is Bangladesh availing the opportunities offered by the process of globalisation? What are the outcomes of the initiatives already undertaken? What is to be done in the future? What could be learned from the past experiences of Bangladesh as well as those of others? What are the challenges? How to face them? Finding out answer to these and related questions are indispensable for the country in order to formulate its policy towards and concentrate efforts on development co-operation.

It is in this backdrop that the Bangladesh Institute of International and Strategic Studies (BIISS) and the German Embassy in Dhaka organised a Round Table on DEVELOPMENT POLICY ON THE THRESHOLD OF THE YEAR 2000 during October 6-7, 1999. While the experiences of development partnership between Bangladesh and Germany were the starting
point of our deliberations, we consciously did not restrict ourselves to German-Bangladesh co-operation. This has been reflected in our selection of the title of the Round Table.

The Round Table has met with keen interest on the part of Honourable Members of the Cabinet, Members of the Parliament, government officials, representatives from academia, media, foreign missions and donor agencies in Dhaka, policymakers and concerned professionals. In addition, six participants from Germany representing academia, media and development agencies travelled a long way to Bangladesh and made valuable contribution to the deliberations in the Round Table.

It is the profound success of the Round Table in terms of generating interest among academia, media, and professional and policymaking circles that has encouraged BIiSS to publish its proceedings in a book form entitled DEVELOPMENT CO-OPERATION AT THE DAWN OF THE TWENTY FIRST CENTURY: BANGLADESH-GERMAN PARTNERSHIP IN PERSPECTIVE. The articles included in the book are the revised versions of papers presented in the Round Table.

As many as nineteen papers were presented in the Round Table spread over seven sessions, including the inaugural and concluding ones. All the nineteen papers are included in the book.

Two keynote papers were presented in the Inaugural Session. The first paper entitled German Development Co-operation in South Asia, Bangladesh in Particular: Politico-Economic and Historical Analysis, Current Status and Prospects by Dr. Wolfgang-Peter Zingel discussed the origin of Bangladesh-German development co-operation and analysed its development. Dr. Zingel, referring to official sources, stated that German policy with regard to development co-operation is pursuing four specific goals: the democratisation of legal society (Rechtsstaat), to find a way out of the debt trap, to link globalisation with ecological
modernisation and inter-cultural understanding. While relating these to South Asia in general and to Bangladesh in particular, he mentioned that all South Asian countries have made great progress.

In his paper entitled **Bangladesh's Development Strategy and the Role of External Assistance, German Assistance in Particular**, Dr. Qazi Kholiquzzaman Ahmad made detailed analysis of Bangladesh's development strategy and the role of external assistance with a focus on German development cooperation. Analysing a number of policy statements made by Prime Minister Sheikh Hasina, Dr. Ahmad identified following four key objectives of Bangladesh's development strategy: peace, development, equity and sustainability. The author also emphasised that there is a total convergence of Bangladesh perspective as expressed by the Prime Minister and a world view perspective expressed by the World Bank President. With regard to external assistance, Dr. Ahmad mentioned that foreign aid, be it grant or soft credit, often has certain purposes to promote. In this regard, the commercial purpose has assumed relatively more importance. For an aid recipient like Bangladesh, it is not without a cost, which might include policy prescriptions as aid conditionalities that do not reflect the prevailing realities in the country, inappropriate technologies through tied aid, aid-driven (not reality-driven) selection of projects which cause poor allocation and wastage of resources, and the exploitation of its natural resources by foreign companies on terms that militate against its interests. He also suggested that it is for Bangladesh to evaluate the costs and benefits of foreign aid and, seek and accept such aid as is provided in a manner and for purposes that would be, on balance, beneficial for the country in economic terms but also in terms that its ability is not curtailed in the context of evolving its own policies and selecting its own projects to best address the problems faced, promoting social sustainability (poverty alleviation, equity, participation, population control), and
taking advantage of the existing and emerging opportunities nationally, regionally and internationally.

In the Second Session that discussed *Globalisation and Development Policy*, two papers were presented. In the first paper entitled *Globalisation and Development Policy*, Mr. Frederick D. Temple analysed the opportunities opened and challenges posed by the process of globalisation to nations of the world with a focus on Bangladesh. He stressed on the fact that no country can remain outside the reach of the globalisation wave that is sweeping the world. Ignoring it would be catastrophic for any country not to speak about Bangladesh. He not only made suggestions but also elaborately discussed possible options for Bangladesh to face the challenges posed by globalisation and avail the opportunities offered by it.

In the second paper, also entitled *Globalisation and Development Policy*, Dr. Citha D. Maass evaluated the experience of globalisation with a focus on development policy and concerned national actors. She characterised globalisation basically as an economic phenomenon wherein the rules of the game are determined mainly by international private companies or multilateral financial institutions, while national governments, be it the German or the Bangladeshi one, have only a limited say and are forced to react to the changing conditions. Thus, national actors suffer from a partial loss of directive powers and may be left out with heading off the worst distortions in their national economy.

In the Third Session, devoted to the *Experiences of Development Partnership between Bangladesh and Germany*, four papers were presented. In the first paper entitled *Experiences of Development Partnership – Financial, Procedural and Natural Capacity* by Dr. Martin Raschen the focus was concentrated on the experiences of Financial Co-operation (FC) projects. As he stated, project-related perspective
is very important, because “our partners and we want to know, whether or not each of these projects has reached its objectives”.

In his paper entitled Experiences of Development Partnership between Bangladesh and Germany, Dr. H. Tabatabai focused his discussion on more than a quarter of a century of partnership between Bangladesh and Germany in Technical Co-operation (TC) under GTZ. He explained that Germany adheres to the broader definition of TC which states that “technical assistance aims to boost the performance capacity of individuals and organisations by imparting and mobilising knowledge and skills and by enhancing the general conditions, in which these are applied”. Accordingly, the activities of GTZ included such areas, like poverty reduction, protection of the environment and conservation of natural resources, education and training and women in development. Further, Dr. Tabatabai evaluated the success of GTZ in these areas of co-operation.

In his paper entitled Experiences of Trade and Investment co-operation between Bangladesh and Germany, Dr. Munim Kumar Barai analysed trade and investment co-operation between the two countries in detail. He dealt with the experiences of trade from the trend of growth to compositions and so on. While Dr. Barai has been satisfied with the growth and the volume of Bangladeshi export to Germany, he considered the small amount of German private investment in Bangladesh to be far below the potentials of both the countries. He has also suggested some avenues where the German investors can target their investment in the context of the emerging economic environment.

Mr. Syed J. Haider, in his paper also entitled Experiences of Trade and Investment Co-operation between Bangladesh and Germany, considers even the volume of Bangladeshi export to Germany as being far below it’s potential. He also stated that many potential sectors such as high value added ready made garments, knitwear, frozen food, leather & leather goods,
specialised textile, ceramic tableware, telecommunication, handicrafts, IT solutions & databases, light engineering, etc. are still under developed or yet virtually untapped. Mr. Haider further suggested that in order to boost up the level of trade, other potential sectors should be developed up to the German consumers’ preferences in terms of quality.

In the Fourth Session, devoted to Poverty Alleviation, Human Rights and Development Policy, three papers were presented. In his paper entitled The Impact of Political Education and Empowerment in the Development Process, Jost Pachaly concentrated his discussions on the activities of the Heinrich Böll Foundation affiliated to the Green Party in Germany. The Foundation’s foremost task is political education in Germany and in 60 countries abroad with the aim of promoting informed democratic opinion, socio-political commitment and mutual understanding without interfering in the party politics of the respective partner countries. He also explained the activities of the Foundation in Bangladesh, particularly in the areas of economic and political empowerment of women, and folk culture.

Dr. Abdur Rob Khan, in his paper entitled Poverty Alleviation in Donor Development Policy, basically focuses on poverty alleviation programme in Bangladesh and how donors relate to it. In doing so, he first makes a critique of the prevailing calorie-intake based definition of the concept of poverty in the context of Bangladesh. After reviewing the donor policies toward poverty alleviation in Bangladesh, Dr. Khan argues the current poverty alleviation programme in Bangladesh at best perpetuate poverty above the starvation level. Besides, in order to contribute to sustainable development, perhaps it is time to rethink micro-credit programme with a view to exploring the possibility of integrating poverty alleviation and sustainable management.

Dr. Meghna Guhathakurta, in her paper entitled Human Rights in Development Policy, made detailed analysis of the
incorporation of human rights into the development agenda in the contemporary world and evaluated its applicability in the context of Bangladesh. Dr. Guhathakurta, argued that the Universal Declaration of Human Rights (UDHR) embodied two principles, which serve as cornerstones of international human rights law: universality and indivisibility, nonetheless, there have been persistent attempts to perceive human rights in a hierarchical way. This has led to misrepresentations such as that civil and political rights are more justifiable than economic, social and cultural rights, and economic, social and cultural rights are not really rights but rather aspirations to be realised progressively. In the context of Bangladesh, she observed that the four principles of statecraft have been severely amputated and distorted, and this has not been remedied even by the present government. It is a tragic reminder of how a government, which emerged from an idealistic battle against repressive forces can quickly fall prey to the machinations of powerful interests. She also made a host of suggestions aimed at improving the prevailing situation.

In the Fifth Session, devoted to NGOs and Development Policy, three papers were presented. Fr. Klaus Beurle, in his paper also entitled NGOs and Development Policy, argued, rather strongly, in favour of the presence of NGOs in Bangladesh. While sharing part of the criticism addressed to the NGOs, he also argued that often such criticism emerges from basic mistrust towards NGOs aiming at maintaining status quo and own superiority or autocracy on any level or any sector of the society. He mentioned that the NGOs have an ever increasingly important role to play in the context of globalisation. Fr. Beurle also suggested more co-operation between the government organisations and the NGOs.

In her paper entitled Donors and Framing of Public Policy towards the NGOs in Bangladesh, Dr. Tasneem Siddiqui sets the context of growth and proliferation of NGOs in Bangladesh,
flow of external resource through this sector and identifies the donors and their policy regarding NGOs. Thus she provides a historical account of how bilateral and multilateral donors attempted to influence the successive governments of Bangladesh to recognise the NGOs as an important agent of resource transfer at the grassroots. Finally, Dr. Siddiqui identifies how donors, particularly the multilateral agencies, influenced the emerging public policy framework regarding the NGOs and highlights various aspects of donors' influence on the NGOs.

Dr. Salehuddin Ahmed, in his paper entitled NGOs and Development Policy, analysed the emergence, objective, modus operandi, role and significance of NGOs in the process of development in Bangladesh. For understandable reason, he has paid considerable attention to BRAC. While evaluating the three decades of the development of NGOs, particularly their relations with the government and the donors, he expressed concern with the possibility that the NGOs could become 'co-opted' by the government or international donors. With regard to the role in development policy that the NGOs would like to play independently, Dr. Ahmed suggested a two pronged approach. The first consists of influencing policy indirectly through the empowerment of the poor themselves and the second consists of advocating directly at all levels of government for more attention to the issues and policies necessary for significant poverty alleviation.

In the Sixth Session, devoted to Toward a Partnership Agenda for 2000 and Beyond: New Ideas and Approaches for Development Policy, three papers were presented. Mrs. Birgit Pickel, in her paper entitled Toward a Partnership Agenda for 2000 and Beyond: New Ideas and Approaches for Development Policy, suggested that the efficiency and impact of bilateral and multilateral assistance could be increased by adopting a programme rather than a project approach. In this
regard, she mentioned that the sector-wise approach currently adopted and tested in the health sector in Bangladesh is an exemplary attempt to operationalise the programme approach. Mrs. Pickel also suggested that the efficiency and impact of German development assistance should be increased through concentrating activities on 2-3 sectors in the future.

In her paper entitled Toward a Partnership Agenda for 2000 and Beyond: New Ideas and Approaches for Development Policy, Dr. Ute Heinbuch mentioned that the change in government in Germany in September, 1998 brought some changes in the country's development policy. While the alleviation of poverty remains the overall goal of German development policy and co-operation, it is being linked to conditions like democracy and good governance, stability and peace between and within nations. She also mentioned that the peaceful settlement — and more important — the prevention of intra-state conflicts have become a strong focus of German development policy.

Dr. A. K. M. Saiful Majid, in his paper entitled German Co-operation for the Development of Small and Medium Size Enterprises in Bangladesh: New Ideas and Approaches, dealt not only with development partnership between the two countries but also with a gamut of issues pertaining to the development of Small and Medium Size Enterprises (SMEs) in Bangladesh. These included the definitional issues and related problems of SMEs, the problems of growth measurements of SMEs over the last three decades, some major growth constraints, particularly relating to technical and technological constraints and others. While evaluating the contribution of German development assistance to the growth of SMEs in Bangladesh Dr. Majid mentioned that the focus of German co-operation in SME promotion in Bangladesh lies mainly in conducting a wide range of small business management and entrepreneurship training through a network of Bangladeshi non-government and private sector partner
organisations. At the end, he suggested a wide spectrum of new ideas and approaches for competitive growth of SMEs and possible German-Bangladesh co-operation.

At the Concluding Session, devoted to *Sonar Bangla (Golden Bengal): More than a Dream?*, two papers were presented. Mr. A. K. M. Abdus Sabur, in his paper entitled *The Dream of Sonar Bangla: An Assessment of the Present Context* made an attempt to demystify the dream of *Sonar Bangla* and evaluate it against the backdrop of current reality with a view to projecting an outlook for the future. The legends about a golden age of prosperity in medieval Bengal as eulogised by the ruling elites and well-informed foreign travellers have been identified by Mr. Sabur as the genesis of the dream of *Sonar Bangla*. The legends do not reveal the whole truth, as it was a golden age for the ruling elites alone. Nonetheless; medieval Bengal was more prosperous than its contemporary societies in its neighbourhood and many parts of the contemporary world. Against the backdrop of its subsequent decline and colonisation, in the process of nationalist movement against British colonialism and Pakistani rule, the dream of *Sonar Bangla* - a free and prosperous Bangladesh - have been deeply ingrained in popular mind. Turning to the present context, Mr. Sabur stated that with the emergence of Bangladesh in 1971, the Bengalis not only have a dream, but also an independent state of their own under which their dream could undergo the test of time and real life. The experience of the last about three decades has been assessed by him as a mixed success. While projecting a vision for the future, Mr. Sabur put emphasis on the fact that prevailing situation at the national as well as global level opened tremendous opportunities and posed tough challenges to Bangladesh. Preparing the country to face the challenges and avail the opportunities would be a significant step forward on the way of fulfilling the dream of *Sonar Bangla*. 
In his paper entitled The Golden Bangladesh: More than a Dream? Aspects of Globalisation, Regionalisation and Localisation, Dr. Wolfgang-Peter Zingel concentrated his attention mainly on the problems of and prospects for socio-economic development of Bangladesh. Relying on Amartya Sen, he identified the task of Bangladesh as being to organise its economy in order to entitle its people to basic needs. Dr. Zingel then turned to major issues, powerful forces and cluster of changes that are to have decisive impact on the process of development at the dawn of the twenty-first century. Relying on the World Bank report, he listed six major issues: poverty, population growth, food security, water scarcity, climate change and cultural preservation, and five powerful forces: innovations in technology, the spread of information and knowledge, the ageing of populations, the financial interconnectedness of the world and the rising demand for political and human rights. While the World Bank report focused on two “clusters of change”, i.e. globalisation and localisation, Dr. Zingel also brought to the focus another “cluster of change”, i.e. regionalisation. He further focused his attention on each of these three “clusters of change” with a view to identifying the challenges faced by Bangladesh and devising the ways and means to overcome them. In conclusion, Dr. Zingel, once again, mentioned that entitlement does not mean that the government has to provide the essentials of life directly. The government has rather to create and guarantee an environment, which allows initiative and growth to the benefit of all the population. That may not immediately lead to a golden Bengal, but help to escape the poverty trap.

The central motive behind organising the Round Table and publishing its proceedings in a book form has been to initiate candid discussions on the subject in a free and academic environment. The subject of our Round Table and a host of issues related to it are quite complex. In addition, most of the topics remain relatively less explored, despite their urgency. We have
assembled a host of experts from a variety of academic disciplines, professional background and socio-political orientation. Our main purpose has been to let the diverse ideas come into creative interactions so that the issues could be analysed from different perspectives. If the book generates some new interests among the scholars and practitioners, and invigorates their academic pursuit on the subject, we would consider our efforts a meaningful exercise.

I would like to thank the authors of the papers included in this volume and all who participated in the Round Table for their valuable contribution. I am particularly thankful to Major General Mustafa Kamaluddin ndu, psc, Chairman, BIISS, and Major General Jamil D. Ahsan Bir Protik, psc, Director General, BIISS for their guidance and Brigadier Muhammad Shahedul Anam Khan (Retd.), former Director General, BIISS for undertaking the initiative and organising the Round Table. I also express my deepest gratitude to H. E. Mr. Uwe Schramm, Ambassador of the Federal Republic of Germany to Bangladesh and his staff for their generous support in organising the Round Table and publishing the book. My special thanks to Mr. Mahbubul Alam, Editor, The Independent and Mr. Guenter Knabe, Head of Asia Programme, Deutsche Welle for patiently serving as co-moderators to all the sessions but the inaugural and concluding ones. Last, but the most, I would like to put on record my deepest gratitude to Mr. Tofail Ahmed, MP, Honourable Minister for Commerce and Industries and Advocate Abdul Matin Khasru, MP, Honourable Minister for Law, Justice and Parliamentary Affairs for gracing the Round Table as Chief Guests in the Inaugural and Concluding Sessions respectively, and Mr. Abul Hasan Chowdhury, MP, Honourable Minister of State for Foreign Affairs and Mr. M. Shamsul Islam, MP, former Minister for Commerce for gracing the Round Table as Special Guests in the Inaugural Session.