

**Bangladesh should not be considered a developed nation
at this stage**

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ID: 21104049

SECTION: 27

Date of submission:

19th December, 2021

Introduction

As we know, a country is generally classified by its economic growth. Economical status plays a vital role in building a country's standards. For instance, if a country is economically strong, then the GDP of the country will be at a proper rate and the people of this country will live a better life with a low poverty rate. There are a significant number of developed nations in the world with robust economies. However, Bangladesh, the world's least developed country, has a stellar economic record. In the last decade, the least developed country has had the world's fastest-expanding economy. (THE WORLD BANK, *Bangladesh Population (2021)-Worldometer* 2021). In addition, Bangladesh is a small country with a population of 166,992,605 residents in 2021, accounting for 2.11 percent of the global population. (United Nations data, *Bangladesh Population (2021)-Worldometer* 2021). However, the per capita income of Bangladesh is not enough to lead a healthy life. Price increases in Bangladesh are not a new phenomenon, but when they become extreme, they have a negative impact on the general population because their income is not balanced with the price increases. Thus, Bangladesh should not be classified as a developed nation by the World Trade Organization at this time because this would result in a price hike which would have a substantial impact on the economy.

Background

Presently, Bangladesh is known as a Least Developed Country (LDC). However, it has built up a tremendous economic improvement. Still, it has a lot to improve, so it needs some special facilities that an LDC should have. On the other hand, Bangladesh is still not ready to compete with the developed nations. Bangladesh is set to be recognized as a developing country in 2026. (*Becoming A Developing Nation: Bangladesh reaches A Milestone* 2021) Nevertheless, as the least developed country, Bangladesh benefits greatly from the developed world. For instance, Bangladesh gets GSP (Generalized System of Preferences) facilities from 38 countries (United Nation), as a post-least developed country or developing country. Bangladesh enjoyed duty-free or reduced tariff rate access to other member countries, also getting DFQF market access, low-interest rates for loans from the World Bank, an extension of GSP facilities, etc. Also, as a least developed nation, Bangladesh receives foreign aid from developed nations. However, Bangladesh is not prepared to assume the responsibilities of a developed country due to its lack of wealth and resources. If Bangladesh is elevated to the status of a developed country, all

foreign resources and facilities will be locked up, resulting in a price increase that will disproportionately affect Bangladeshis.

Arguments

Some believe that after becoming a developed nation, the Bangladeshi passport will be stronger. Also, after graduation, economic growth will create high tax or vat revenue.

The European Union's (EU) Generalized System of Preferences (GSP) facilities

GSP facilities are generally given by developed countries to non-developed countries. So, as Bangladesh is recognized as the least developed country, it enjoys the facilities of GSP from the EU. To begin with, Bangladesh obtains duty-free market access to several developed and developing nations throughout the world as a Least Developed Country (LDC) through GSP facilities. It contributes to a wide range of international trade blocs. As a result, the country receives duty-free access to other members. We know that the garment industry of Bangladesh is one of the potential industries. Bangladesh's garment sector has grown by 79 percent in the last 7 years, from \$19 billion to \$34 billion in yearly sales. Bangladesh has become the world's second-biggest exporter of garments, with the industry contributing to 80% of the country's overall export revenues. (Fathi, *Safety First: Bangladesh Garment Industry Rebounds* 2021). As we know, a country's revenues are the most significant part of its economy because, as we know, import revenue or revenues from other sectors are used for the betterment of the general public. Moreover, we can see that the garment industry in Bangladesh has a significant role in export revenues, which enhances economic growth. Additionally, Bangladesh, as a least developed country, receives lots of benefits from the first world and second world countries in the EU while exporting its products. However, if Bangladesh is announced as a developed country, it will lose all the facilities that it currently receives as a least developed country, and there will be an inconsistent fall in export revenue that may break down the economy of Bangladesh. According to the Planning Commission, the sum of lost export revenues after the LDC graduation might be as high as \$7 billion, rising to \$13 billion by 2031. (*Bangladesh's LDC Graduation: PM: We'll do everything to face post-LDC graduation challenges* / *The Business Standard* 2021) The breaking down of the economy will directly affect the general public's lifestyle. For instance, the government will need to collect high taxes or vat from the general public to earn revenues. According to the Bangladesh Garment Manufacturers and

Exporters Association, Bangladesh's readymade garment (RMG) exporters would lose about \$4 billion in the European Union if the duty-free trade agreement expires once the country exits the LDC designation (BGMEA). Losing \$4 billion could be a disaster for the economy of Bangladesh, a least-developed country. This disaster will directly impact the citizens of Bangladesh because the per capita income of Bangladesh will not be the same as that of other developed countries. So, if Bangladesh is declared a developed country, then the general people of Bangladesh will suffer the most from price hikes because of the breakdown of the economy.

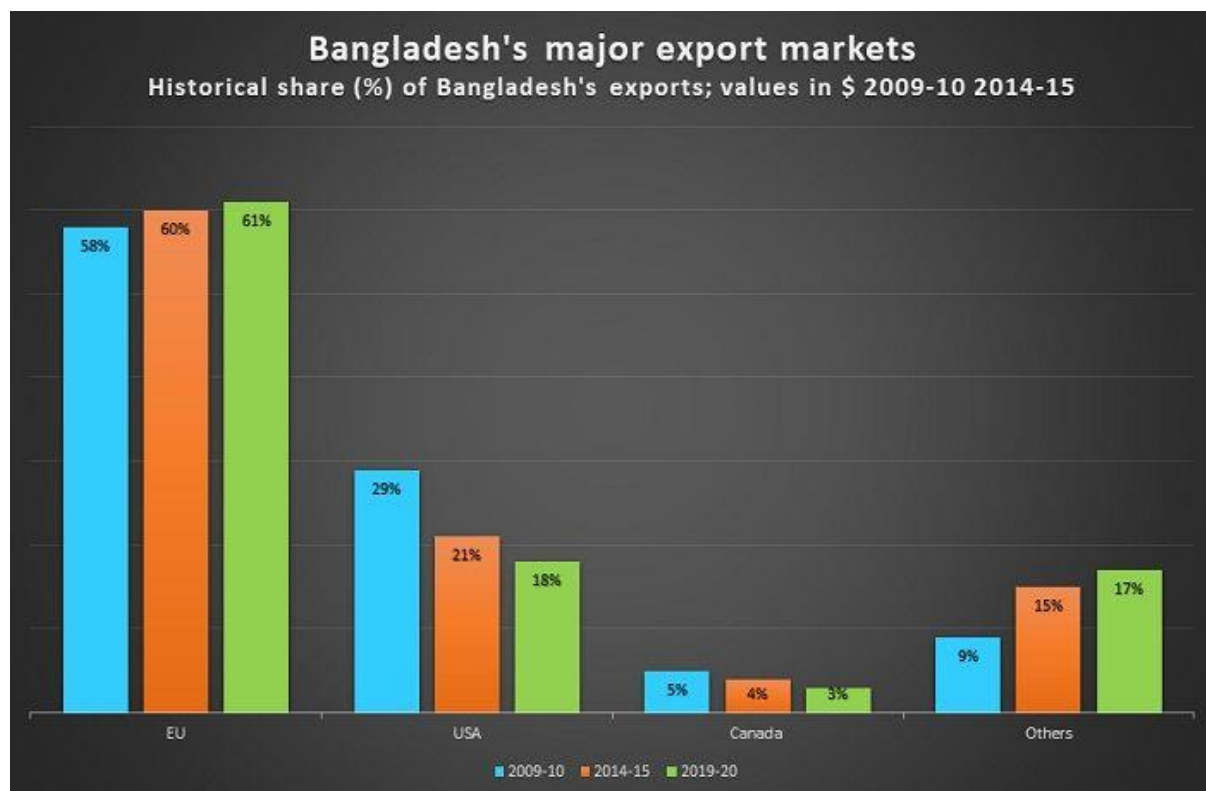


Figure: Export percentage rate of EU with GSP facilities (*Bangladesh should apply strongly to secure GSP facilities after DC graduation 2021*)

Here the bar charts illustrate Bangladesh's major export market in the last decade. We can see here that a large percentage of export revenues came from the EU, which was duty-free. The EU consists of 37 countries, where the maximum number of countries are first-world countries, where Bangladesh had a 61% export share in 2019-2020. Unfortunately, if Bangladesh graduates to develop into a developed country, it will lose its GSP facilities and also possibly lose its current position in the trade market.

Foreign aid

Bangladesh is 50 years old, and the country's development has been rapid during this time. From roads to bridges, it developed a lot. Generally, foreign aid is needed by LDCs for humanitarian relief, disease prevention, economic growth, market expansion, agriculture advancement, poverty alleviation, and basic infrastructure development. It also helps LDCs expand and become more self-sufficient, as well as promotes political contacts. (Hazzard, *LDCs and the Reasons Why Foreign Aid Is So Important in 2021*) However, in the 21st century, Bangladesh is still not developed as a first-world country. So, for the sake of the development of Bangladesh, it needs strong funds, but unfortunately, the government does not have sufficient funds for its development. Bangladesh mainly uses foreign aid for the betterment of the general public and the development of the country. Bangladesh is recognized as a riverine country, so in some specific seasons, this country has faced floods. In the flood, many people lost their land and homes. So, for this reason, Bangladesh needs foreign aid. Moreover, as Bangladesh is a Least Developed Country, it gets funds from a special international program. This program is called the Least Developed Countries Fund (LDCF), which is under the United Nations Framework Convention on Climate Change (UNFCCC). Through this program, LDCs like Bangladesh get funds for climate change. Bangladesh's UNFCCC focus ministry is the Ministry of Environment, Forest and Climate Change (MOEFCC). Furthermore, Bangladesh has received a total grant of USD 34.41 million during the course of seven projects. (BANGLADESH COUNTRY REPORT UN CDP Triennial Review Meeting 2021) .

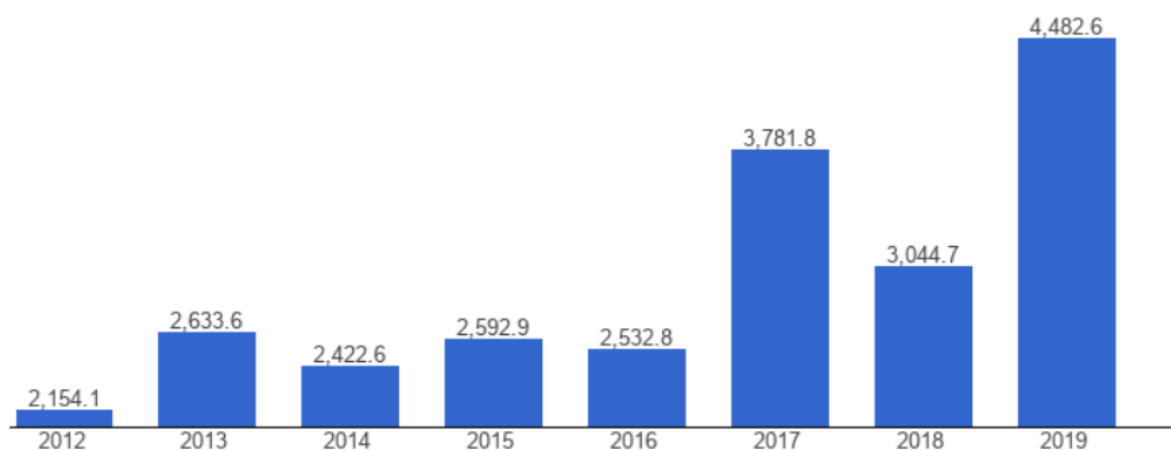


Figure: Recieve foreign aid as LDC (measure: million U,S, dollars; Source: World Bank)

Here is the data for Bangladesh from 2012 to 2019 for this statistic. Bangladesh had an overall average of 1400.031 million US dollars over that time period, with a low of 2154.1 million US dollars in 2012 and a high of 4482.6 million US dollars in 2019. The most recent estimate for 2019 is \$4482.6 million US dollars. In contrast, the world average in 2019 is 840.02 million US dollars, based on 131 nations.

(Bangladesh Foreign Aid-data, chart/TheGlobalEconomy.com 2021)

Moreover, the interest rate on LDC foreign loans is generally low. Bangladesh will lose the concessional loan facility after the LDC graduation. That said, the window for commercial loans will also get a boost. (LDC graduation: Bangladesh not to face foreign loan pressure 2021). However, foreign aid will stop if Bangladesh is promoted as a developed country. Moreover, the lack of foreign funds will have an impact on the general public because there will be a huge lack of capital available for general public service.

SDG assistance from foreign countries

Sustainable development techniques assist nations in adapting to the problems caused by global warming, which in turn aids in the preservation of precious resources for present and future generations. According to estimates, our worldwide population is expected to exceed 9 billion people by 2050. (What Is Sustainable Development, and Why Is It Important in 2021?) Bangladesh, as a least developed country, has an obstacle to development. Bangladesh gets help from several first-world countries to remove major obstacles. For instance, the per capita income of Bangladesh is not enough to lead a healthy life, and the economic growth, industrialization, innovation, and infrastructure of Bangladesh get funds from foreign countries. These are the most necessary development movements for the sustainable development goals for Bangladesh. Generally, the primary objectives of economic growth are: ensuring that sufficient land of the appropriate type is available in the right places and at the right time to promote growth and innovation; and recognizing and implementing development requirements to establish a strong, competitive economy. (What is Sustainable Development, and Why is it So Important? 2021). To achieve sustainable development goals, Bangladesh needs the facilities that a least developed country should have, but if Bangladesh gets promoted to a developed country, it will be difficult for Bangladesh to achieve SDGs. In Bangladesh, the percentage of people living in poverty fell to 20.5 percent in 2019 from 24.3 percent in 2016.

Furthermore, 5.6 percent of working people earned less than \$1.90 per day in 2019. (*Poverty: Bangladesh* 2021). So, we can see Bangladesh is still under the poverty line in these statistics. If Bangladesh lost foreign assistance, then the SDGs would not be easy to achieve, and the development of Bangladesh would be stuck at a specific level. Moreover, it will have a bad effect on the country's economy.

Conclusion

In conclusion, being recognized as a developed nation is almost every nation's dream, but development with flaws is not acceptable or reliable. 50 years ago, Bangladesh had nothing, but in the last 50 years, it has improved its economy, infrastructure, socio-economically, and many more. Therefore, there is a huge scope that Bangladesh will soon recover from all its issues. We know there are many developed countries with strong economies across the world. Nevertheless, Bangladesh, the world's least developed country, has a stellar economic track record. Bangladesh is a small country, with a population of 166,992,605 people in 2021, or 2.11 percent of the world population. (Worldometer 2021) (United Nations Statistics, Bangladesh Population 2021). Bangladesh's per capita income, on the other hand, is insufficient to live a healthy life. Price hikes in Bangladesh are not a new phenomenon, but when they become high, they have a negative impact on the Bangladeshi people since their income does not keep pace with the price hikes. As a result, the World Trade Organization should not classify Bangladesh as a developed country at this time since this would result in a price increase that would have a significant impact on the population.

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