THE BANGLADESH ECONOMY: NAVIGATING THE TURNING POINT

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That the Bangladesh economy at age 50 would be a cause for celebration was once unthinkable—certainly in 1971, at the time the nation gained independence, and for at least two decades after that. A region of grinding poverty, Bangladesh (then East Pakistan) was engaged in a brutal war for independence for much of 1971. With US President Richard Nixon standing firmly behind Pakistan President Yahya Khan as his army tried to crush the independence movement by resorting to genocide, millions of Bangladeshis stared in the face of destitution and hunger, and a large number of them sought refuge in India.

The first years of the new nation were a period of trial, made worse by a devastating famine in 1974, which began in Rangpur district and then swept through the rest of the country (Sobhan 1979). Matters got worse when the Nixon administration, still smarting from Bangladesh having gained independence, which the US government had resisted, suddenly cut off food aid on the grounds that Bangladesh was earning money by exporting jute bags to Cuba.

Today, as Bangladesh celebrates 50 years of independence, it is worth recalling that, while the nation was born out of the grand idea of building a just, humanitarian, and inclusive society, at the time of its birth it was one of Asia's—and in fact the world's—poorest nations.[1.] Many observers were reconciled to Bangladesh remaining a basket case that would have to be supported with food aid and propped up with money from international organizations.[2.]

When the Bangladesh economy grew rapidly in the mid-1990s, it was viewed as a freak interlude. It is a remarkable turnaround that, in defiance of all expectations, Bangladesh today is a middle-income country with a per-capita income significantly higher than that of Pakistan and neck and neck with India's. This is especially true since the COVID-19 pandemic hit the Indian economy harder than many other nations.

On a personal note, there are few countries for which I have had the privilege of a view as close as I have had for

Bangladesh since its birth. It began in 1971, when I was a college student in Delhi and volunteered to work with the refugees flowing into West Bengal, and continued when I was working at the World Bank in 2015, at which time our cross-country data showed that Bangladesh had graduated unequivocally from a low-income to a lower-middle-income country.

It is worth adding that, in terms of standard of living indicators such as life expectancy and literacy, Bangladesh, akin to what was earlier seen in Sri Lanka and Kerala, has done better than its per-capita GDP level would indicate. The average life expectancy at birth in Bangladesh is 73 years, higher than in both India (70 years) and Pakistan (68 years). In terms of adult literacy, Bangladesh, at 73.9%, is well ahead of Pakistan's 59.1% and close to India's 74.4%.

All this was topped off in 2020, when Bangladesh had a growth rate of 3.8% and stood in fifth place among the 194 nations in terms of GDP growth, as computed by the International Monetary Fund—all achieved during a year when the world was mired in the COVID-19 pandemic. This was a little bit of a silver lining for the nation amidst the gloom.

However, all this good news is no guarantee of sustained development. World history is replete with examples of nations that took off economically, only to turn around and slow down; of middle-income traps; and of failing while on the brink of success. Despite the country's successes, a large segment of the Bangladesh population still is living below the extreme poverty line of US$1.90 per day, inequality is rising, and the country's future trajectory has many uncertainties. One major uncertainty is climate change and the resultant rising sea levels that pose significant dangers, and political instability could reemerge and disrupt economic progress.

This short article has three tasks: first, to assess Bangladesh's economy and how it got to this remarkable stage, proving all skeptics wrong; second, to peer into the future and comment on the challenges Bangladesh is likely to face; and third, to offer a few suggestions for how it should navigate the post-pandemic global economy.

THE DRIVERS BEHIND THE RISE OF THE BANGLADESH ECONOMY

The trajectory of the Bangladesh economy is captured well in Table 1 and Figure 1. Both show the path of the country's per-capita income over time,

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Year	GDP per capita, $
1971	133.6
1976	141.2
1979	200.1
1990	306.3
1996	394.7
2001	415.0
2006	509.6
2014	1119.0
2020	1968.8

Table 1. Bangladesh's Per-Capita GDP in Current US$, Select Years
Source: The World Bank

as measured in current US dollars. Table 1 shows the data for select years, which were chosen for reasons that will be explained below. The figure completes the picture by showing the country's full economic trajectory from 1960 to 2020.

Clearly, independence was good for the Bangladesh economy. In the decade preceding independence in 1971, the region was abysmally poor, with shockingly low per-capita income and hardly any sign of improvement. In 1962, the per-capita income was US$100.10; at the time of independence, it was US$133.60. The figure depicts the four or five years of turmoil that occurred after Bangladesh gained independence from Pakistan, and the table shows that, by 1976, per-capita GDP had inched up to US$141.20. It crossed the US$200 mark for the first time in 1979. After that, growth was steady but slow, and the US$300 mark was breeched for the first time in 1990.

The global slowdown triggered by the Gulf War made Bangladesh's per-capita GDP dip briefly below the US$300 mark in 1991, but by 2001 it had crossed the US$400 mark. It is arguable that the half decade preceding this, roughly 1996 to 2000, were the incubation years for Bangladesh. On the surface, little happened. Per-capita income was rising, but slowly. The nation faced foreign exchange shortages but was able to work around them. Poverty was declining only gradually; the percentage of the population living below the poverty line fell from 46% in 1995 to 44% in 2000 (Sen 2003). But, a lot was happening beneath the surface that would yield results over the next two decades. Bangladesh's telecom sector was putting down roots. The manufacturing sector was gathering strength and, interestingly, was playing a role in women's empowerment. By 2001, garment exports reached US$3.1 billion, 52% of the country's exports; more importantly, 1.5 million people were working in this sector, a majority of them women (Hossain, Kabir, and Latifee 2019). There also was a sharp increase in the production of a high-yielding variety of rice (Sen 2003).

These were critical long-term drivers, although not much happened immediately after that period. Initially there was a slow economic pick-up. Then, in the middle of the first decade of the 21st century, real change began. By 2006, the benefits of the incubation years were clearly visible. In the following years, up till 2020, the Bangladesh economy experienced what may be described as a 15-year gallop. Per-capita income crossed the US$500 mark for the first time in 2006, and Bangladesh grew faster economically than the much richer Pakistan. This initially was treated as an aberration, but Bangladesh has outpaced Pakistan every year since then.

In 2014, Bangladesh had a per-capita income of US$1,119 and it soon overtook Pakistan.[3.] Today its per-capita GDP

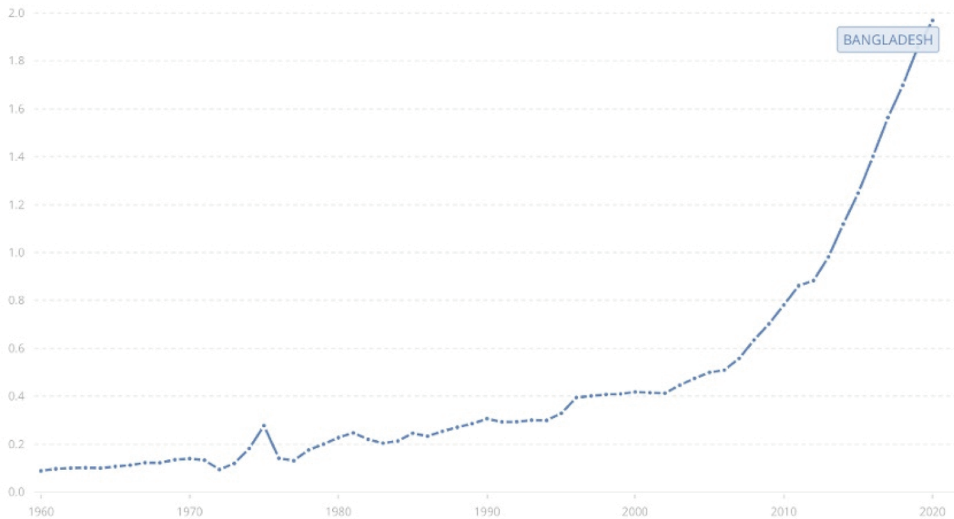

Figure 1. Bangladesh's Growth Trajectory, 1960 to 2020
Source: The World Bank

closely rivals India's and significantly exceeds Pakistan's. Bangladesh hit the headlines in early 2021 when, according to World Bank data, Bangladesh's 2020 per-capita GDP was reported to have overtaken India's by US$68.8. It is arguable that this is an aberration because 2020 was a dismal year for India, whose economic growth plunged in ways seen in only a few countries and is expected to pick up again in the near future.

Bangladesh's growth slowed in 2020, which was in keeping with what happened the world over as the COVID-19 pandemic caused a global recession. In fact, as pointed out above, in comparative terms, Bangladesh has done extremely well.

This was a brief history of the Bangladesh economy. The country is now a leading global exporter of ready-made garments, and other sectors are taking off too, such as Bangladesh's pharmaceutical industry. With 300 pharmaceutical companies, several of them doing research, the nation now produces 97% of its domestic demand and is beginning to export pharmaceutical products to other nations.

What are the drivers behind the remarkable performance of the Bangladesh economy? As with all countries, the rise of Bangladesh is a story of both deliberate intervention and chance. Let me begin with an important noneconomic driver of economic progress, which was an unexpected byproduct of progressive social experiments in Bangladesh.

The country owes a large part of its success to progressive nongovernmental organizations (NGOs). Bangladesh has long been a veritable hub of NGO experimentation, in many ways due to a partnership with the government, which had the foresight to create a space where these NGOs could experiment and flourish. One particular intervention that emerged from this brew and played a larger role than anyone expected was the early effort to distribute microfinance credit. This was mainly done with senior female household members, in contrast to the traditional practice in most developing countries of lending mainly to the male heads of household. I argued in Basu (2006) that giving money to women was hugely empowering and gave them a greater voice in the home, which in turn helped direct a greater share of household spending toward child welfare.

There is evidence from around the world that, in two households with the same income, those where a larger share of the income comes from the wife rather than the husband will spend more to ensure the well-being of the children in the household.[4.] This has translated into better nutrition, higher rates of female literacy, and, ultimately, higher productivity. NGO activism in Bangladesh contributed to this in a big way. As Rahman (2010) noted, Bangladesh's NGOs and microfinance institutions

> brought about a major breakthrough in reaching out to the rural poor . . . Their programs were designed with some degree of gender bias favoring women, in the presumption that women's enhanced financial standing and stature in the traditionally male-dominated families will lead to better upbringing and education . . . [for] their children.[5.]

It also can be shown that educating one person in a household can increase the productivity of the entire household (Basu, Narayan, and Ravallion 2001). These drivers, along with a high level of female labor participation in the garment and leather goods sectors, have made women's empowerment a key to development in Bangladesh. Furthermore, increased female participation in the labor force pretty much across the economy has been a striking feature of Bangladesh, and it seems have gone hand-in-hand with the higher GDP growth (Rahman and Islam 2013).

The large and progressive NGO sector in the country also worked with a cooperative government sector to push other kinds of social development, whether by fostering schooling especially for girls, or by facilitating large-scale improvements in health by coopting local communities in a bottom-up action. As reported in Amin and Basu (2004), rural interviewees in Bangladesh (and West Bengal, India) "unambiguously perceived major declines in infant and child mortality and attributed these declines to factors that are consistent with the assessment of experts." Public understanding of the causes of poor child health were remarkable, even among the old and the uneducated.[6.]

Another key to Bangladesh's economic growth is the pioneering microfinance institutions that have enabled households to break out of the debt trap and start their own small businesses. Using a computable general equilibrium model, Raihan, Osmani, and Khalily (2017) showed that microfinance did more than just help the households that received money; by bolstering fiscal and monetary policies, it boosted the country's GDP by 9%-12%.

In terms of more conventional sources of growth, it is worth noting that the most vital variable in mainstream neoclassical economics, the rate of capital accumulation or the investment rate—that is, the share of the total national output that goes to investment rather than consumption—saw a steady rise in Bangladesh. As Osmani (2010, 37) notes, "The growth acceleration that has occurred in Bangladesh since about 1990 has been underpinned by a faster rate of capital accumulation." The investment rate rose from less than 10% in the 1970s to 20% in the 1990s. As of June 2020, this rate was 31.8%.

At the time of independence in the 1970s, a sudden withdrawal of businesses from Bangladesh left an entrepreneurial vacuum. This had to be filled by new local talent, and the country has since seen a flourishing of small businesses. This entails indulgence in "thick description" (in the sense of Geertz 1973) on my part, but one can see evidence of this just by looking around. Even among migrant Bangladeshis living outside the country, one sees a substantial number striving to move out of labor to run small businesses, from street-corner stores to, increasingly, larger ventures. This is a subject deserving of future investigation. With the higher level investment now available, these businesses have the potential to become more productive.

However, for entrepreneurship to flourish, the country needs a full ecosystem. This is the age of large returns to scale. Some of Bangladesh's exporting firms are large, which has helped them reap the benefits of scale. I believe there was an unexpected driver for this in Bangladesh, which is not widely acknowledged and had a lot to do with luck. It is well known that the Indian subcontinent has complex labor laws, most notably the Industrial Disputes Act 1947, which dates back to a few months before India and Pakistan gained independence from Great Britain in August 1947. This law has played a role in thwarting the emergence of large manufacturing firms that are able to realize economies of scale.

Pakistan repealed the law in 1958, but for the wrong reasons; it did so to enable big corporations to control their workers, especially in East Pakistan. Moreover, it did so in a ham-handed way, thereby contributing to labor exploitation and crony capitalism. Having once been part of Pakistan, Bangladesh was born without the baggage of the 1947 law; unlike Pakistan, it developed its own labor regulations that were flexible without giving corporations unfettered power. This played an important role in Bangladesh becoming a successful global manufacturing hub, especially its garments sector.

There is still work to be done in Bangladesh to protect worker safety and in other dimensions of labor rights, but it cannot be denied that this unexpected turn of history, and the regulatory system that Bangladesh inherited, have enabled Bangladesh to have considerable flexibility in the manufacturing sector, thereby facilitating the creation of large firms with high returns to scale that have enabled them to out-compete many other emerging nations.

Some of the country's garment-producing firms resemble manufacturing corporations in advanced economies. I had firsthand experience with some of these corporations at the end of 2015, when I visited Bangladesh (Basu 2021a). Manufacturing units, such as the Viyellatex Garment Factory in Gazipur, outside Dhaka, embody a lot of these new economic strengths. This firm is a pioneer, including its modern facility that provides workers with a safe and pleasant workspace. The factory is designed to let in ample sunlight in order to reduce the use of electricity, and the company purchased an abandoned tea garden where it planted trees to offset its carbon emissions; it has pledged to be carbon neutral within a few years. The firm also stands out for its wage payment system, which is done via mobile banking using an indigenous electronic payment and money-transfer platform. Paying workers' salaries via mobile banking makes it easier for them to keep tabs on their money and reduces the cost of transferring money. This has led to increased worker productivity because less time is spent visiting banks and post offices in order to make deposits and send money home to needy relatives.

In conversations with the workers, they told me that they could now instantly transfer money to their families and whomever else they wished to because of the ease of mobile banking. This was a gain for the firms, as the workers now did not lose time as they previously had on payday, when they spent time trying to deposit their money and to send some home. Of course, the Gazipur factory is a special case that stands out because few developing economies have such "green" factories.

Since the late 1970s Bangladesh has instituted vital reforms around exchange rate management and trade policy, which has enabled the nation's initial vacuum in entrepreneurship to be filled in by a newly emergent class of small indigenous entrepreneurs. This has been accompanied by an influx of capital in the form of remittances from the large number of Bangladeshi migrant workers, who have been driven to countries all over the world by the years of poverty and famine. The liberalization of trade and exchange rates, alongside the regulatory system the country inherited, created a lucky brew. By 2010, it was evident that Bangladesh was in a mode of export-led growth, and the money flowing in from investments and remittances was fueling the economy.

World Bank data show that, by 2020, Bangladesh was seventh in the world in the inflow of personal remittances, behind (in order) India, Mexico, Philippines, Egypt, Pakistan, and France, and ahead of China, Germany, and Nigeria. These are the world's ten largest remittance-receiving nations; India, the world's largest, received US$83.1 billion in 2020, while Bangladesh received US$21.7 billion. For India, the inflow of remittance was 3.2%; for Bangladesh it was 6.7%. This naturally made a big difference, since access to hard currency creates flexibility the economy otherwise might not have.

It is important to recognize that a large inflow of remittances is not necessarily good for an economy. There are nations whose economy is dependent on remittances and thus has become sluggish. Determining whether these large inflows will be beneficial for a nation depends largely on the country's existing economic conditions. In the case of Bangladesh, the large influx of remittances played a positive role, thanks to the reforms that had already taken place in the labor markets, the adoption of a flexible exchange rate regime, and trade liberalization. An econometric study by Paul and Das (2011) showed that, while remittances did not have a short-term impact on growth in Bangladesh, in the long run, one way or another, they have played an important and positive role.

The resilience built up during the nation's early years and the phase of the 15-year gallop were evident during the global financial crisis of 2008. Bangladesh's economy navigated the crisis rather well. While most emerging economies' exports to the US saw a setback in the immediate aftermath of the financial crisis, Bangladesh was among the few nations that saw positive growth. The main advantage Bangladesh had was its ability to cut costs in US dollars during this period (Murshid et al. 2009). This arguably happened because of the exchange rate and trade policies that had already been put in place, and because of the country's flexible labor laws, which neighboring India did not have.

Another sector that has provided an important foundation on which other sectors can flourish, often beneath the surface, is the telecom industry. Mobile subscriber penetration in Bangladesh has now reached nearly 94%; it was just 30.6% as recently as 2008. The telecom sector now directly employs 760,000 people, but since the sector provides the essential infrastructure for many others, the number of jobs this sector has created indirectly far outstrips the direct effect. This sector also owes a lot to public-private collaboration, which experienced a big expansion in 1996, when new private firms and operators were licensed to enter the mobile industry. There has been no looking back since then.

Much of what I am arguing here is borne out by the remarkable trajectory of the total foreign exchange reserves held by the Bangladesh Bank. Up to 2012, the total reserves were almost flat, though adequate in terms of global benchmarks, if barely so (Islam 2009). But, after 2012, the effects of the nation's trade and fiscal policies became clearly observable. That year, Bangladesh Bank had reserves of approximately US$10 billion. After that, the curve that had been stubbornly horizontal changed dramatically, and in 2017 the nation breeched the US$30 billion mark for the first time. It was big news in May 2021 when reserves passed US$45 billion, which created flexibility and the ability to manage exchange rate fluctuations, with benefits for the nation's economy that was unthinkable even a decade ago. It is usually considered adequate if a nation has sufficient reserves for six months of normal imports; Bangladesh now has enough for ten months.

Finally, we need to step beyond economics in looking for the causes of the nation's economic trajectory. A crucial political factor underpins Bangladesh's economic success. It is unfortunate that the current government has been criticized for its intolerance of dissent and for shrinking the space for critical media, but it nevertheless has made one essential contribution to the country's upward trajectory. Bangladesh has been challenged by fundamentalist groups that renounce what prominent Bangladeshi commentator Abul Barkat described as the "liberal and humanistic origin of Islam in East Bengal" (see Barkat 2013), and although the nation's constitution guarantees religious freedom, the current government has kept these destructive forces at bay. Many other countries have succumbed to religious fundamentalism, with disastrous consequences for their economies, but Bangladesh has thus far resisted this.

There is a connection between political polarization, which often is caused by religious fundamentalism, and economic performance. Research evidence on the close connection between a society's level of trust and its economic progress (Fukuyuma 1996; Fershtman and Gneezy 2001) makes the following broad argument.[7.] Trade and exchange are facilitated by a host of standard assumptions that economists make explicitly about fiscal and monetary policies, about the externalities generated by trade and production, and about laws pertaining to how these are handled. However, they also make less explicit assumptions that are nevertheless important to economic activity.

Certain social norms, such as respect for other people's rights, the propensity to live up to one's promises, and trust and trustworthiness, are important but often are not made explicit; I refer to them as "assumptions in the woodwork" (Basu 2021b). A society lacking trust has a huge handicap. For example, not every contract can be backed up by the law, there often is a time lag between a job being done and payment being made, and many transactions do not take place at all. Thus, some markets do not develop because of the risk of cheating.

It therefore is no surprise that societies that have developed trust have more active trade and exchange, and thus experience greater growth and development (Fukuyama 1996). The general idea that, to understand economic development we need to cross boundaries and examine the political and sociological foundations of economics, has a long history (see, e.g., Hirschman 1981), but since this idea is difficult to formalize, the propensity among economists has been to ignore this extradisciplinary embeddedness.

Political polarization and heightened divisiveness erode people's trust. This often causes trade and investment to decline, businesses to falter, and growth to slow. These sociopolitical drivers of growth lie beyond the concerns of mainstream economics and are not fully understood by almost all economic policymakers, but it is folly to dismiss them for that reason. We should in fact make a greater effort to understand them because economic development and growth are largely predicated on them.

THE CHALLENGE OF A POST-PANDEMIC WORLD

Despite the remarkable progress Bangladesh has made, in particular its 15-year gallop, the tale has by no means ended. Bangladesh's successful trajectory from here on is not a forgone conclusion. Nations have stalled at different stages of development, and while economists talk about low-income and middle-income traps, in truth there is an "every-income" trap. Bangladesh is now a middle-income nation, but it not out of the woods yet. It has its own geopolitical challenges, and climate change could blight its future prospects. Furthermore, thanks to the dramatic impact the COVID-19 pandemic has had on the global economy, the ground beneath our feet is shifting (Basu 2021b), and the world will see new winners and new losers. Some of these tectonic shifts are global matters over which Bangladesh has little control, but how Bangladesh navigates the new world over the long term will largely depend on how it handles these coming changes.

My assessment is that the world economy will see two major shifts over the coming years. The first pertains to globalization. There is a lot of talk about how the major disruptions in the global supply chains that occurred during the pandemic will result in deglobalization or at least a retreat from globalization. I expect deglobalization to be a short-term effect of the current turmoil and that, in the long run, the turmoil will lead to a speeding up of globalization, rather than a slowing down.

The main reason I believe this is the learning-by-doing that has occurred over the last year and a half. Digital technology has been on the rise over the last two or three decades, but what happened during the pandemic was like a novice swimmer being pushed into the deep end of the pool. Ordinary people with no training in the use of digital technology have suddenly become conversant in it. We have learned to use Zoom and Webex to give lectures, hold meetings, make intricate decisions, all often while sitting at home. This is bound to boost the use of these technologies over the coming years. Even when the pandemic is over, we will be giving long-distance lectures and doing our work while sitting at home. This in all likelihood means that outsourcing and global connectivity will increase, which holds huge potential for developing countries. There are bound to be new winners and losers. Bangladesh's telecom sector, which has been enormously successful since the incubation years of the Bangladesh economy, provides the nation with a good foundation for this new global economy. Indeed, policymakers would do well to bolster this sector further.

The second major change will be the speeding up of using machines, robots, and artificial intelligence to replace mechanical and routine labor. This will mean a rise in unemployment for workers who are unskilled or skilled only in mechanical work. With the rise of technology, human employment will shift to more creative activities, and nations that are able to capitalize on this shift will be at the forefront. In keeping with this, the content of GDP is likely to undergo a fundamental change, with the consumption of standard luxuries like cars and homes and hotels being displaced in part by the acquisition of better and greater consumption of healthcare, and more art, music, and education. Once again, this implies an expected shift in the kind of work human beings will do in the future. Nations that are able to capitalize on this will do well, and those that cannot will be left behind.

In the case of Bangladesh, much will depend on the education sector. The country will need to step up its provision of modern education that equips the population to move away from mechanical work and nurtures creativity. Developing and emerging economies such as Bangladesh and India can stay on the traditional path for another five or ten years by simply taking advantage of their abundant cheap labor. As the world becomes more connected, digitally and otherwise, nations with cheap labor and a modicum of peace, law and order, and good connectivity will be able to grow, and work will move to them from advanced, high-wage economies. But, business as usual is unlikely to work for long as the demand for traditional labor declines the world over, which is bound to happen, especially with the learning-by-doing boost given by COVID-19.

This is where education, especially creative higher education, will play a major role. Over the last few years, we have seen the dramatic effects good education can have on a society and its economy, as in South Korea. Bangladesh is a region of Asia that historically has valued education, learning, and literature, and it will be critical for the country to nurture its universities and institutes of higher education. Given its success in many areas over the last 15 years, an initiative of this kind can potentially advance the Bangladesh economy in the way some East Asian economies have done in the past.

The word "potentially" is deliberate here, as there are no certainties in economics (or, for that matter, in life). But there are other pitfalls that Bangladesh has to be aware of. Needless to say, it is important for a nation to get its fiscal, trade, and exchange rate policies right, and other standard matters of economics. Fortunately, Bangladesh seems to be on track on these matters.

A larger danger arises outside of economics. As briefly pointed out above, the success of an economy depends on many implicit assumptions that are so taken for granted that we do not spell them out explicitly (Basu 2021b). I mentioned one example of this above—trust. A successful economy needs a minimal amount of trust among its citizenry, and a strong moral compass that draws lines the people refuse to cross (Basu 2018).

The trouble with these assumptions is that we do not know well enough how they can be preserved and nurtured. But, we do know that a nation's leadership plays an important role. There is clear evidence from around the world that religious fundamentalism can divide a society and damage trust among individuals, which also damages trust in and ultimately hurts the economy. Many leaders have a natural propensity to stamp out dissent, and that kind of top-down authoritarianism hurts creativity and progress.

There can be no denying that the world has examples of authoritarian regimes that have been successful. But, in general, authoritarianism hurts an economy. In the modern world, where creativity is likely to be ever more important, failure on this score is likely to hurt growth. Hence, for a nation to succeed, it will need farsighted political leadership that is willing to put up with the discomfort of dissent, contradiction, and criticism in order to promote the greater good of the nation.

Given the critical stage Bangladesh has reached, one hopes that the leaders now at the helm of politics and economic policymaking will have the sense not to snatch defeat from the jaws of victory.

To close on a personal note, I remain optimistic for Bangladesh. Despite occasional setbacks, it has managed to keep its society relatively open and inclusive. Its economic policies have been reasonably balanced and mature. Its civil society and NGOs have played a hugely positive role in the nation's progress. My hope for the future of higher education and creativity arises from my personal experience when I visited Dhaka in December 2015 in my capacity as chief economist of the World Bank. As I noted at the end of my "Dhaka mission" in my diary from my policy years, which involved travel across the world, "I have never been to a country where I was given more books than in Bangladesh. Every other person seemed to be thrusting a book into my hand that he or she had written" (Basu 2021a, 332). There was more than one occasion when, after giving a lecture, I discovered that I was holding new books that had been thrust into my hands by the authors while I was focused on my lecture. The key to success in Bangladesh will be to adapt this intellectual and creative enthusiasm to the new age.

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1. This comes out beautifully in the prison diary of the nation's founding father, Sheikh Mujibur Rahman. The diary begins with how his friends urged him to write a diary and one day his wife, visiting him in prison, said, "You are idling anyway. Write your life story." He begins by pleading that he is no writer and has few achievements to write about. Then he adds, "The only thing I can say is that I have been ready to make personal sacrifice for the sake of justice and idealism" (my translation from Bengali, from Sheikh Mujibur Rahman, 2012). The same book quotes his later "Personal Notebook": "As a man, what concerns mankind, concerns me. As a Bengali, I am deeply involved in all that concerns Bengalis. This abiding interest is born of and nourished by love, enduring love, which gives meaning to my politics and my very being" (my italics).

2. "Basket case" was the expression used by Henry Kissinger, who was then the US National Security Adviser. As Sen (2013 1,966) has noted, "Self-assured commentators who saw Bangladesh as a 'basket case' not many years ago, could not have expected that the country would jump out of the basket and start sprinting ahead

even as expressions of sympathy were pouring in."

3. A lucid account of the unexpected and dramatic transformation of the macroeconomy of the Bangladesh occurs in Rahman (2021).

4. One of the early studies on this was by Desai and Jain (1994), based on evidence from India. In the context of Bangladesh, see Rahman (2000).

5. A new body of evidence from carefully controlled statistical studies show that giving women greater control over their earnings can influence gender norms and labor force participation (Field et al. 2021). This sheds indirect light on why in India, despite recent increases in better-paying jobs, women have not been attracted into the labor market and also on why Bangladesh has had greater success in drawing women into the labor force.

6. Indeed, there is some suggestion (see, e.g., Amin, Basu, and Stephenson 2002; Basu and Amin 2000) that the cultural attribute of "Bengaliness," a strong sense of language identity that transcends religious and political differences, may have also contributed to social development through greater transborder interactions between Bangladesh and West Bengal, and thus greater exposure to new ideas on both sides. The role of such language commonality across borders has been well described in descriptions of historical demographic change in Europe (Watkins, 1986).

7. For a discussion of the vital role of ethics, morals, and institutions for economic development, with illustrations from Bangladesh, see Mahmud (2021, chap. 3-4).