



Victoria University of Bangladesh

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Answer to Question No. 01

Explain the types of FDI with appropriate :

Foreign direct investment (FDI) is an investment from a party in one country into a business or corporation in another country with the intention of establishing a lasting interest. Lasting interest differentiates FDI from foreign portfolio investments where investors passively hold securities from a foreign country. A foreign direct investment can be made by obtaining a lasting interest or by expanding one's business into a foreign country. Typically, there are two main types of FDI.

Horizontal: A business expands its domestic operations to a foreign country. In this case, the business conducts the same activities but in a foreign country. For example, mcdonald's opening restaurants in Japan would be considered horizontal FDI.

Vertical: A business expands into foreign country by moving a different activities abroad but supply chain. In other words, a firm conducts different activities abroad but these activities are still related to the main business using the same example, MC donald's could purchase a large-scale farm in Canada to produce meat for their restaurants. However, two other forms of FDI have also been observed. Despite steady economic growth in the country over the past decade, foreign investment (FDI) has been comparatively low in Bangladesh compared to regional peers. As compared with USD 2.9 billion FDI inflow in Bangladesh in 2019, FDI inflows amounted to USD 141. 2 billion in China USD 50.6 billion in India, USD 23.9 billion in Indonesia and USD 16.1 billion in Vietnam. The rate of FDI inflow in Bangladesh is only around 1 percent of GDP, one of the lowest in Asia, while even during the pandemic (2020), FDI flows to developing countries in Asia increased by 4 percent to USD 535 billion according to figures from the UN conference on trade and development (UNCTAD), Bangladesh could not achieve the expected FDI. In 2020, foreign investors invested around USD 17 billion in Vietnam, USD 64 billion in India approximately USD 18.58 billion in Indonesia whereas Bangladesh received USD 2.58 billion and of the amount, USD 1.6 billion accounted for reinvested earnings by the already existing foreign company in the country.

Government agencies in Bangladesh often claim that, they are sincere and very keen on promoting investment. They have taken various liberal policies and implemented a number of policy reforms and incentives designed to promote a competitive climate for FDI, and also pursued various promotional activities such as investment summits, road shows, etc for promoting investment. However, government claim do not often reflect ground reality.

Answer to Question no 2 (a)

The types of resource mobilization: According to sociologists who study resource mobilization, the types of resources needed by social

Movements can be grouped into five categories:

1. **Material resources** : There are the tangible resources (such as money, a location for the organization to meet and physical supplies) necessary for an organization to run. Material resources can include anything from supplies for making protest signs to the office building where a large nonprofit is headquartered.
2. **Human Resources**: This refers to the labor needed (whether volunteer or paid) to conduct an organization's activities. Depending on the organization's goal, specific types of skills may be an especially valuable form of human resources. For example, an organization that seeks to increase access to healthcare may have an organization focused on immigration law may seek out individuals with legal training to get involved in the cause.
3. **Social organizational resources**: These resources are ones that SOMs can use to build their social networks. For example, an organization might develop an email list of people who support their cause, this would be social-organizational resource that the organization use itself and share with other SMOs that share the same goal.
4. **Cultural Resources**: Cultural resources include knowledge conduct the organization's activities. For example, knowing how to lobby elected representatives, draft a policy paper or a rally would all be examples of cultural resources. Cultural resources can also include media products, for example, a book or informational video about a topic related to the organization's work.
5. **Moral Resources**: Moral resources are those which help the organization to be seen as legitimate. For example, celebrity endorsements can serve as a type of moral resource, when celebrities speak out on behalf of a cause, people may be spurred to learn more about the organization, view the organization more positively or even become adherents or constituents of the organization themselves.

Answer to Question no. 2 (b)

SWOT analysis of Bangladesh garments industry : The garment industry has emerged as the dominant export earning sector in Bangladesh during the last few decades. The industry has been expanded since late 1970s. The productivity from this sector has become higher than the agriculture. At present, about 4.2 million people are directly employed and many others in forward linkage industry, backward linkage industry and indirectly involved with garment industries in Bangladesh. The rapid expansion of the industrial development creates job opportunities as well as promotes reducing poverty. It also promotes growth to other industries like banking, cosmetic industry, communication and transportation. Thus the economic growth of Bangladesh was surprisingly steady and gradually increasing in the last decade with help of RMG sector from a bottomless full of opportunity. Even during the world recession period, the crisis affected Bangladesh very little. At present Bangladesh is the second largest garment manufacturer and exporter country in the world. Though having such steady progress garment industry had to face crisis situation and questioned from buyers and international community for sweatshops and violating basic labour rights. Bangladesh earned enormous bad reputation after two worst industrial disasters Rana Plaza collapse (2013) followed than thousands of workers.

Ans to the question no 2 (c)

Public industry comparison to private industry: Public sector organizations are owned, controlled and managed by the government or other state run bodies private sector organizations are owned, controlled and managed by individuals, groups or business entities. The private sector tends to be more effective than the public sector because the private sector is primarily profit driven. Thus, it hires people based on their productivity is more valuable, well street delineates based ownership and governance. The public sector is the part of the economy owned, managed and controlled by government or government bodies, while the private sector is owned, managed and controlled by individuals or private companies. Public sector companies cannot compete with the private sector in profit and efficiency due to following reasons: The main motive of private sector is to earn profit and whereas the main motive of public sectors is to provide the public. In most cases, a private company is owned by the company's founders, management or a group of private investors. A public company is a company that has sold all or a portion of itself to the public via an initial public offering companies in the private sector are relatively more profitable than their public sector companies are owned by the government, therefore they are subject to the uncertainties related to uncomfortable government decisions and larger government interference.

Answer to Question no : 3 (a)

Rostow's stages of economic development: Rostow's stages of growth model is one of the most influential development theories of the 20th century. It was also grounded in the historical and political context in which he wrote. Stages of economic growth was published in 1960 at the height of the cold war, end with the subtitle "A non-communist" Manifesto. It was overtly political. Rostow was fiercely anticommunist and right.-wing, he modeled his theory after western capitalist countries, which had industrialized and urbanized. As a staff member in president John F. Kennedy's administration, Rostow promoted his development model as part of US foreign policy. Rostow's model illustrates a desire not only to assist lower-income countries in the development process but also to assert the United States' influence over that of communist Russia. Rostow's stages of economic growth model is one of the major historical models of economic growth. It was published by American economist Walt Whitman Rostow in 1960. The model postulates that economic growth occurs in five basic stages of varying length. The traditional society, Rostow's model illustrates a desire not only to assist lower-income countries in the development process but also to assert the United States' influence over that of communist Russia.

Answer to Question no 3 (b)

Developing countries are in general countries that have not achieved a significant degree of industrialization relative to their populations and have in most cases medium to low standard of living. There is an association between low income and high population growth. These are a settled population a defined territory government and the ability to enter into relations with other states. These were originally set out in the 1933 Montevideo convention on the rights and duties of states. Bangladesh is also a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower middle income status in 2015. It is on track to graduate from the UN's Least developed countries (LDC) list in 2026. Article 1 of the convention provides that, the state as a person of international law should process the following four qualifications.

- (a) A permanent population
- (b) A defined territory
- (c) Government
- (d) Capacity to enter relations with the other states.

The accepted criteria of statehood were down in the Montevideo convention (1933) which provided that a state must process a permanent population, a defined territory, a government and the capacity to conduct international relations. According to the human development program (UNDP), Bangladesh ranks at 129 out of 191 countries in the human development index (HDI).