

# Comment For Trade Liberalization and Export-Led Growth: A Case of Bangladesh Apparel Industry

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# Main Findings

- The rapid development of Bangladesh apparel industry was significantly related to the government commitment to an outward-oriented development strategy in the late 1980s
- The study finds that it is a firm's relational contract with foreign suppliers of raw materials and multinational retailers/marketers, which determines the firm's export performance and productivity. (enclave industry?)
- The finding also shows that backward linkage with domestic supply base negatively affects firm's output and labour productivity
- A continued protection of domestic textile production and a free trade status is producing policy inconsistencies.
- The key institutional gap is thus managing vested interests.

# Comments/Suggestions

- Focus/rearrange the paper in accordance to the Philippa's conceptual approach
- The first research questions posed by conceptual paper: "What institutional arrangements have helped to ensure that recent reforms were implemented"
- Suggestion: Expand the section 2 of the paper to show how the policy processes in Bangladesh has led to the outward-oriented development strategy in the late 1980s

- Second research question of the concept paper: “What institutional arrangements are there to review the remaining barriers to good economic performance?”
- The authors already hints the weakness of the Bangladesh Apparel Industries
  - firm performance depends on the ability to integrate forward/backward with foreign buyers/suppliers
  - backward linkage with domestic supply base negatively affects firm’s output and labor productivity
  - And suggests, that this outcome is the result of policy inconsistencies: a continued protection of domestic textile production and a free trade status

- Suggestion: The diagnosis is there in the paper, We suggest that the paper elaborate more on the “how” (policy recommendation)
  - Discussion on the challenges. The future of the global apparel and textile Industries. Global competitive strategies and choices of retailers, apparel, manufacturers, and textile producers
  - What are the policy options for Bangladesh? (i) continue with the status quo? Enclave industry? (ii) deepened the industry, better integration with more efficient domestic supplier?

- The author mentioned about the key institutional gap that is managing vested interest. We suggest that the authors expand on this (e.g. using the framework given by Philippa “What stops better policies being adopted”)