

# The Project Economy and the Development Goals of Bangladesh: A Readiness Analysis

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## Abstract

*Bangladesh is now regarded as the 'development surprise' or 'role model of development' with its current target of achieving the developed country status by 2041. A number of projects along with other initiatives are currently being implemented in the country to achieve its overarching development objectives. However, globally, organizations are undergoing a fundamental paradigm shift in which projects are no longer adjacent to operations but instead primary to how work gets done and problems get solved. This fundamental paradigm shift in economy is called the Project Economy. In such an economy, project leaders lead the way to turn national dreams and goals into reality. The question asked in this research is that how far Bangladesh is ready to cope with the emerging Project Economy and what are the next steps for the country.*

## 1.0 Introduction

Bangladesh is now regarded as the 'development surprise' or 'role model of development'. Geographical location, burgeoning middle class and existence of an industrious work force have made the country a natural hub for business, investment and networking in the region and beyond. The government envisions transforming Bangladesh into a middle-income country by 2021, upper middle-income country by 2031 and a High-Income Country by 2041 (GED, 2020). For this, the country has declared its Vision 2041, after implementation of the Vision 2021. The Vision 2041 aims to eliminate extreme poverty and achieve developed country status by 2041 with poverty becoming non-existent. To transfer Vision 2041 into a development strategy, the government has formulated the Perspective Plan 2021-2041 with necessary policies, programs and projects. Besides, Bangladesh is aiming to achieve the targets of the sustainable development goals (SDGs) by 2030 utilizing the experiences from successfully achieving the millennium development goals (MDGs) in its most areas (Datta & Rabbany, 2016).

Bangladesh is globally recognized as an outstanding achiever in the area of socio-economic development mainly due to the government's adoption of people-centred approach, also known as participatory approach, for achieving the country's overarching development agenda (VNR, 2020; Rahman, 2019).

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The country has been consistently maintaining an average steady growth rate of 6.5% during the last ten years (VNR, 2020). According to PricewaterhouseCoopers (PwC, 2017), Bangladesh would emerge as the 28<sup>th</sup> economy of the world by 2030 and 23<sup>rd</sup> economy by 2050.

However, COVID-19 has disrupted global supply chains and created poor trading conditions. Shutdowns in China, Europe and USA notably in the apparel, machinery and footwear sectors, has significantly hit global supply chains which is being aggravated with the second wave in most countries - with consequences for Bangladesh. In the post COVID-19 era, will these growth trends and projections for Bangladesh economy remain the same? Are we approaching to address them proactively? Although the answers to these questions are not straight forward and involves complexities, the limits author discussion to the Project Economy only.

## **2.0 Projects as means to turn Bangladesh's Development Goals into Reality**

A good number of important projects along with other excellent initiatives are currently being implemented in the country to achieve its overarching development objectives. Padma Bridge, Metro Rail, Elevated Expressway, Export Competitiveness, and Paira Deep Sea Port are few of the on-going projects among many other projects in different sectors. Once the projects are completed, all the sectors especially the communication and power sectors will get a huge boost, traffic congestion in Dhaka city will reduce, and ultimately trade and tourism will be benefited immensely. Moreover, many other projects and strategies are in pipeline under the SDGs action plan to be implemented by 2030 (GED, 2018).

With adequate good governance in the development administration of the country, these initiatives will deliver the economic and social goods for millions of people in different parts of Bangladesh and will create the economic growth that will immensely benefit the population (Kamal, 2019). This places the project management at the heart of development administration. The survey results for 2020 Pulse of the Profession revealed an average of 11.4% of investment is wasted due to poor project performance which is a global scenario, which is much higher in the third world countries (Pulse of the Profession, 2020).

Its business need for its own success and better organizational procedure, project management gained its importance and continuing gaining more and more. Though the developed countries in today's world are almost in full practice with project management, in least developed countries the implementation and association of organizational work with project management processes and procedures is still in early stage (Rahman, 2019). Gradually the developing countries are becoming familiar with this modern practice that aims to help the organization to achieve its goal with planned and well-defined formulas within cost, time and budget which has a significant value for the future projects and initiatives too.

### **3.0 What is Project Economy?**

The Project Economy is a new concept which is defined as an economy in which people have the skills and capabilities, they need to turn ideas into reality (PMI, 2020). In such an economy, businesses, governments and other organizations deliver value to their stakeholders through successful execution of projects, delivery of products, and alignment to value streams. Eventually, projects deliver value to stakeholders by solving their specific problems, delivering products and aligning projects to an organization's value streams. These initiatives surely deliver "financial and societal value" to organizations (PMI, 2020).

The Pulse of the Profession 2020 report, published by the Project Management Institute (PMI), a global non-profit professional organization for project management, notes that organizations are undergoing a fundamental paradigm shift in which projects are no longer adjacent to operations but instead primary to how work gets done and problems get solved (Pulse of the Profession, 2020). In the C-suite of today and tomorrow, it is the portfolio that disrupts, that innovates, that expands and thrives. In many ways, the organization is its projects- led by a variety of titles, executed through a variety of approaches, and focused unwaveringly on delivering financial and societal value. Whatever approaches they use; organizations require skilled project leaders with expertise in the latest process improvement theories and tools and techniques of applying them to real-world problems. This fundamental paradigm shift in economy is called 'The Project Economy' (Pulse of the Profession, 2020).

This paper summarizes the key aspects of project economy based on the critical review of the wide literature concerning the paradigm shift in project management and its policy implications for Bangladesh. The research question is 'what are the major components of this trend of the project economy and how can Bangladesh prepare itself to benefit from this?'

### **4.0 Why is the Project Economy Important?**

The Project Management Institute (PMI) surveyed business leaders around the world for the Pulse of the Profession 2020 report. The PMI survey found that the largest percentage (35%) of organizational leaders believe that organizational agility is the foundation to future success (Pulse of the Profession, 2020). This phenomenon puts forward the idea of creating a culture that is open to change, which more than half of the leaders (53%) place the high priority in their organizations.

Project leaders play a significant role in this area, particularly the use of design thinking in projects. This human-first approach necessitates project teams to consider the view of every stakeholder involved in a process and then working with them to co-create solutions (PMI, 2020). Changes, new assets to any organization,

happens through projects. Project managers no longer do work that is adjacent to regular business operations, rather projects have appeared as the way work is done. This fundamental change in the business world has led to the Project Economy. The Project Economy is the basis for how an organization evolves over the period. This places project leaders at the heart of the process. The need for more qualified project managers is paramount. These project leaders' performance is critical to success for organizations in The Project Economy (PMI, 2020).

In today's world, change is as inevitable as it is pervasive from the impact of technologies like artificial intelligence (AI) to the demand for greater social accountability to stakeholders' ever-evolving expectations. Organizations that do not embrace change to meet the needs of the clients, for whom they actually exist, will not ultimately survive in the long run (Pulse of the Profession, 2020). Now an essential business asset, which is change, happens through projects. When your organization undertakes projects to make change happen for improving performance, seizing opportunities or addressing key issues, they often require changes; changes to processes, job roles, organizational structures and types and uses of technology. However, it is actually the employees of your organization who have to ultimately change how they do their jobs. If these individuals are unsuccessful in their personal transitions, if they don't embrace and learn a new way of working, the initiative will fail. If employees embrace and adopt changes required by the initiative, it will deliver the expected results.

You may call it disruption or just the new normal. At a time of extraordinary change driven by new technologies, executive leaders from across business, government and non-profit organizations know that success depends on big, bold ideas (Pulse of the Profession, 2020). And they need people with the skills and mind-set to deliver on those ideas with big, bold projects - or risk being left behind. And organizations that undervalue project management as a strategic competency for driving change report an average of 67% more of their projects failing outright (PMI, 2020). With so much at stake - and so much in flux - organizations must rethink some fundamental questions: Why do we exist? What do we offer? Who will be tasked to do the work? The 2020 Pulse reveals a new way of doing business. The beginning of a new decade is ushering in a world full of complex issues that require organizational leaders to reimagine not just the nature of work, but how it gets done. According to the report, executive leaders identified which factors they see as the most important to achieve success in the future. The top three were: organizational agility, choosing the right technologies to invest in, and securing relevant skills. Future-fit organizations are not only willing to reimagine their vision and purpose, but also eager to adopt new ways of thinking that will allow them to thrive in The Project Economy. Bangladesh as a developing country, the big question is how much are we ready to benefit from the project economy?

## 5.0 Aspects of the Project Economy

The significant shift towards the Project Economy is project teams that move between functional areas without the traditional boundaries of finance, human resources and the legal department. To demonstrate the shift, PMI released a report on six global trends driving The Project Economy and how they impact project leaders (Prashara, 2020).

**First**, as other parts of the world's population ages, a lot of young talent is coming out of developing nations. This will lead to a new generation of project leaders in areas in desperate need of projects in areas such as upgrading infrastructure and improving access to technology. **Second**, project professionals play a pivotal role in heading up projects to combat the impact of climate change. **Third**, the emergence of AI offers advantages to project leaders with the right blend of technical and people skills. **Fourth**, protectionist decisions made by governments have made project leaders even more valuable in the execution of projects by transnational, multi-ethnic and geographically distributed teams. **Fifth**, the need for infrastructure overhaul is global in nature. Project leaders are critical to leading smart, agile teams that take on infrastructure projects with often tight budgets. **Finally**, an increased emphasis on cyber security has project leaders developing projects that include the participation of cyber security leaders.

There's no standing still in today's warp-speed world. And no single project, business deal or big idea is enough to keep an organization on top forever. But leaders who look at the world through the future-focused lens of the Project Economy can prepare teams, organizations and society to make the most of the inevitable changes. The PMI report shows leading-edge organizations adopting three tenets: **1. Ability is agility:** It doesn't matter how brilliant a strategy might be or how amazing a product idea is if it's rendered moot by a supply-chain disruption or a new technology. Organizations that can fail fast and pivot to what's next are best positioned for the future. **2. Technology rules-but people influence:** Most executive leaders understand that emerging technologies might be the difference between a breakthrough year and just an okay one. But disruptive technologies like AI and machine learning are only as smart as the people behind them. Executives and project leaders must have the training, processes and talent to get the job done right. **3. It's a project leader's world:** With so much change, executives are increasingly turning to project leaders to help them turn ideas into reality (Mahmud, 2017). And that often requires mixing tried-and-true skills with emerging ones. So, yes, project professionals must be up on automation and design thinking, but they won't get far without people skills. With so much change, no one can predict the future with trends driving business in our disruptive age. And, armed with that information, project leaders must be ready to deliver real benefits to their organizations and society as a whole.

Research (Ellehuus, 2019) suggests that executives' time used to be split in a 90:10 ratio between the relatively routine work of 'running the business' and 'changing the businesses. That formula has been reversed. Today, we estimate it to be a 70:30 ratio in the other direction, with the most of leaders' time spent on changing their business (Ellehuus, 2019). Change can be of forms. It may include developing new products and services, moving into new areas, or responding to competitors and regulatory changes. Whatever the change, it tends to be delivered through discrete, defined initiatives; in other words, projects. In all sectors, across business, government and not-for-profits, organizations are increasingly working with a project-driven workflow. It might not be called 'project management' - it's just 'work' - but the shift is unmistakable. The change is global in scale: it's forecast that project-oriented economic activity could grow 68% over a decade, from US\$12 trillion in 2013 to \$20.2 trillion in 2027 (PMI, 2017). Despite this, many organizations are yet to recognize this shift. This shift has four major components: strategy, work, people and self (Ellehuus, 2019).

**Strategy:** Alignment and executing on strategy is key to organizational success, and for that, the strategy has to be rooted deeply in the organization and understood by everyone (Sull, Homkes, & Sull, 2015). Everyone in the organization needs to understand the business's aims - its purpose - and the fundamental economics of the organization. This is because prioritizing work and eliminating unnecessary things is an ongoing challenge for us all. To do this right, it is vitally critical to have a genuine understanding of the strategy (Bregman, 2017). Therefore, it is equally important to identify opportunities for innovation, growth and value creation. Leaders in the organization need to spend more time on building this understanding among people. It is simply not enough for leaders to present the strategy once a year and hope that strategy will be implemented rightly (Levenson, 2018). Leaders' responsibility is to bring people with them on the strategy. The critical question is: do leaders and managers often talk to the organization about the underlying purpose and economics of the company, and why it is important?

**Work:** Getting work done demands attention in three areas: process expertise, workflow management and innovation (Ellehuus, 2019). The urgent area of focus and action is managing multiple priorities and interrelated work streams. Doing this effectively, leaders need to develop the core disciplines of project management in professionals in all parts of organizations (Verburg, et al. 2013). The core competences of project management - defining the aim and scope of a project, collaborating with stakeholders, preventing scope creep over time, managing budgets against cost inflation, managing communications, staying on track-are relevant to all (Obstfeld, 2017). Project management is a core strength to be developed in everyone in any organization in the Project Economy.

**People:** Another urgent area of focus and action for improving how we manage people today is creating the suitable conditions for leading and managing a team in a setting of ambiguity and uncertainty (Rother, 2019). With a 70:30 focus on changing the business now the new normal, leaders need to develop a team environment in which people accept a degree of uncertainty and ambiguity, and are able to still move forward and get work done (Rother, 2019). This demands a big shift in how leaders approach people management, towards developing team and building team members' capacity to deal with the challenges that the organization faces (Leroy, et al. 2018).

**Self:** The last but not least dimension is that of self. A well-developed ability to manage yourself is immensely valuable in the Project Economy. The urgent areas of focus and action are to develop creative, problem-solving and critical-thinking skills, and to build an adaptive leadership mind-set that prepares a manager to deal with the ever-changing world (Coulombe, 2015).

Governments and organizations across the globe need to embrace this shift. They can support to develop various approaches to problem-solving and innovation among project leaders, preparing and empowering them to develop solutions to emerging challenges (Potnuru & Sahoo, 2016). Organizations need to develop adaptive leadership capability throughout the business, realizing that in today's organizations, everyone is a leader and needs to build their adaptability muscle (Coulombe, 2015).

## **6.0 Bangladesh's Readiness for the Project Economy**

Bangladesh as a developing country, the big question is how much are we ready to benefit from the project economy? Are our project managers, project leaders, policy-makers, project administrators and development professionals, the government aligned with this global trend in the Project Economy? While the world is preparing themselves quickly for the emerging Project Economy, Bangladesh seems way behind in terms of her preparedness and recognition of project management as a strategic competency in the Project Economy (Hamiduzzaman, 2014). One neglected but important area is the development of human resources for project management in the country (Abedin & Akhtar, 2013). The country does not have any institution offering specialized programs in this field. Arrangements in post-experience training in project management are also limited. Similarly, universities are not offering specific full-fledged courses in project management in graduate or undergraduate level (Abedin & Akhtar, 2013). Undervaluing project management as a strategic competency is one of the main reasons of project failure in many countries including Bangladesh (Pulse of the Profession, 2020).

Although such professional training has been commenced in Bangladesh by this time, it is not yet enough for the economy. For example, project management professional (PMP) is one of the leading certifications in project management globally.

In Bangladesh, we have only negligible number of certified PMPs, less than five hundred to be specific; whereas the number is far less than fifty when it comes to the public sector. This total number of PMPs in Bangladesh is negligible and unsatisfactory compared to the total number of PMPs in the USA (about 450,000), China (160,000), Canada (about 65,000), India (about 50,000) and Japan (about 45,000) as per 2019 estimate (PMI, 2019). Our neighbouring country, India - being the nation with the fourth-largest number of PMP certification holders-clearly bears the testimony that it has embraced the importance of project management certifications and standards.

As discussed in the previous section, the shift towards the Project Economy has four major components: strategy, work, people and self (Ellehuus, 2019). Bangladesh is facing challenges in these components of the shift. In terms of alignment and executing on strategy, the county is facing challenge which is key to organizational and project success (Sull, et al. 2015; Rahman, 2019). While Bangladesh has excellent dreams, development policies and goals, it lacks capacity of converting them into actions and getting work done for meaningful results.

Another dimension of the Project Economy is people in which Bangladesh needs improvement. Today project leaders face challenges both inwards to their teams and outward to the external environment. They need to be skilled at managing upwards, at influencing and managing through networks, and engaging and collaborating with stakeholders throughout the various phases of projects, from project initiation and development through execution and final delivery (Ellehuus, 2019). Despite the importance of the people dimension of the Project Economy, it is still too often the case that management positions go to those who are technical experts, but not people with people skills. This under-valuing of so-called 'soft' skills in project management, which is not soft for success, can cost organizations dearly in terms of project success rates (Rahman, 2019).

Similar to many other developing countries, Bangladesh lacks adequate support environment to build creative, problem-solving and critical-thinking skills, and to develop an adaptive leadership mind-set that empowers and equips a manager to deal with the ever-changing world (Coulombe, 2015). Personal resilience is also critical in this regard. Complexity and change create circumstances that continually stretch and challenge us as leaders. Being able to build alignment with the strategy and drive execution in the face of ambiguity and uncertainty is essential but the country lacks adequate focus in this area. However, as a positive note, a huge opportunity for Bangladesh is the demographic dividend, which is the age difference in a country's population (Abusaleh, 2017). It is the difference between the number of working-age-population aged 15-64 years and the number of non-working-age-population under 14 years of age and above 65 years of age. To put it simply, when the number of working people is greater than the number of non-working people, then it is a

demographic dividend. The number of working people in our country is now about 65 per cent (with the increasing trend) of the total population which will last until 2040 (Abusaleh, 2017). This working young people can be a future-ready population in the Project Economy with due focus.

## 7.0 Way Forward for Bangladesh

Now let us have a focus on the solution part of the challenges in Bangladesh we have discussed so far and how can Bangladesh get ready to benefit from the increasing trend of the Project Economy.

**First**, the country needs to immediately recognize project management as a strategic competency for driving change both in public and private sectors. National Skills Development Authority (NSDA) under the Prime Minister's Office and Ministry of Planning may take necessary steps in recognising project management as a strategic competency. This will set a strategic direction for our young generation to become qualified project managers who will lead the nation in terms of transforming our dreams and goals into actions for achieving results.

**Second**, the government and the organizations across the country should no longer promote projects as adjacent to operations, rather it should be seen as primary to how work gets done and problems get solved. If the question how to get work done and problems solved was asked 20 years ago, the answer would have been efficiency. If the same question is asked today, it is not only efficiency but also effectiveness. Once there will be an organizational environment where projects are no longer adjacent to operations and are seen as fundamental to how problems are solved and work is done, the country will see improved productivity, and be future-ready to benefit from the emerging Project Economy.

**Third**, Appropriate training and development measures are to be in place to eventually manage the projects with well trained personnel. For this, Bangladesh needs to take actions to start adequate training and education programs on project management for its project leaders and executives to equip them for the job done right. The government may create a special fund to finance a good number of project leaders to achieve professional certifications such as PMP, PRINCE2 or something equivalent. This initiative will add immediate value to increase project success rates and will save huge money reducing wastage of money invested in projects and programs.

**Fourth**, it is crucial to appoint the project leaders from people with the right expertise particularly in the public sector. According to the PMI talent triangle (PMI, 2017), project management involves three areas of expertise: technical, leadership, and strategic business management. Therefore, right people with this set of expertise should be placed as project leaders. This will further increase the chances of project success to a higher level.

**Fifth**, and last but not least, the government may consider making a ‘project and program management and accountability act’ by necessitating a proven leading-practice model backed by recognized project management standards government-wide. A recent study (Pulse of the Profession, 2018) highlights that projects are 2.5 times more successful to achieve results when proven project management practices are used.

To conclude, the notable demographic feature in Bangladesh is the increase in the share of working-age population that has taken place over time. This creates the opportunity of reaping the demographic dividend when the people of working age could be converted to human capital and employed in an effective manner for productive purposes. This aligns with the global trend of young talent being project managers in the areas of desperate needs. This will lead to a new generation of project leaders in Bangladesh. Therefore, with the above suggestions being implemented, Bangladesh will ignite and achieve its overarching development goals in the emerging Project Economy with its hard-working people with a renewed project leadership and mindset in the ever-changing world.

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