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# CPD

Centre for  
Policy  
Dialogue  
Bangladesh

## Quarterly

### FROM the editor's desk

Unlike previous quarter CPD maintained a very busy schedule during the October-December quarter.

Two events which kept CPD particularly engaged during this period were a special commemoration event on the observance of 40 years of independence of the nation and the *Fourth South Asia Economic Summit (SAES IV)*.

With almost 600 people in audience the commemoration programme paid a heart-felt tribute to the martyrs who have brought independence to the nation. The event had drawn special attention because of the presence of *Nobel Laureate Professor Amartya Sen* as the Special Guest. In his speech he acknowledged the post-independence progress of Bangladesh and mentioned her recognition in the international arena. *Professor Rehman Sobhan* also highlighted the achievements obtained by the independent nation and he emphasised on what more could have been done and the challenges ahead, in his keynote speech.

Speaking as the Chief Guest at the overview session of the *SAES IV* Hon'ble Finance Minister *A M A Muhith* stressed on regional cooperation in the areas of transport, energy and food security among South Asian nations. Special envoys from Sri Lanka, Maldives and Afghanistan attended the two-day long event with more than a hundred other participants from South Asian countries and beyond. The recommendations derived from various sessions of this event were sent to SAARC Secretary General for consideration during the 17th Ministerial Meeting of SAARC in Maldives which was held during 9-11 November 2011.

In view of the much discussed volatile situation of the capital market in the country, CPD organised a dialogue on *State of the Capital Market and Recent Policy Initiatives*. The dialogue noted that the turmoil created in the capital market of the country is the consequence of extreme malgovernance and failure to take proper initiative. The dialogue cautioned that injection of funds alone would not bring stability to the market. Bangladesh Bank and Securities and Exchange Commission must establish their authoritative roles to regulate the market.

CPD unveiled the UNCTAD 2011 report on Least Developed Countries (LDCs) during this quarter in a press briefing. The report revealed that Bangladesh needs to improve her per capita Gross National Income (GNI) and Human Asset Index further to become a developing country.

During this quarter CPD's research work mainly concentrated on regional economic cooperation.



*Amartya Sen sharing his insight at the commemoration programme with (from left) A K Khandker, Sultana Kamal, Rehman Sobhan, Matiur Rahman and Mustafizur Rahman listening to him*

### Bangladesh at 40: Achievements are many but more could have been done

**Bangladesh** has achievements for which her people should feel proud. Within 40 years of independence, Bangladesh has established a globally competitive garments industry, moved ahead of India in particular areas of human development and gender parity, extended microcredit to 25 million women, and drastically reduced aid dependency through the robust growth in remittances sent by the migrants. But these achievements are also reminders of the fact that much more could have been done as a nation and the promises inspiring the liberation war of the country could have been fulfilled thereby. *Professor Rehman Sobhan*, one of the visionaries of the Economic Philosophy of the Liberation Movement of Bangladesh and Founding Chairman, CPD said so at a CPD event titled, *40th Anniversary of Bangladesh's Independence: The Vision and The Journey* on 30 December 2011 at the National Museum Auditorium.

The commemoration event was jointly organised by CPD, Prothom Alo, The Daily Star and Ain o Salish Kendra (ASK). *Air Vice Marshal (Retd) A K Khandaker (Bir Uttam), MP*, Deputy Chief of Staff of the Bangladesh Armed Forces during the Liberation War and Hon'ble Planning Minister of the Government of Bangladesh attended the programme as Chief Guest, while *Noble Laureate Professor Amartya Sen*, an eminent supporter of our Liberation War was present as the Special Guest. *Mr Matiur Rahman*, Editor, Prothom Alo; *Mr Mahfuz*

*Anam*, Editor and Publisher, The Daily Star and *Professor Mustafizur Rahman*, Executive Director, CPD also spoke in the programme which was presided over by *Advocate Sultana Kamal*, Member, CPD Board of Trustees and Executive Director, ASK.

In his keynote paper titled 'Bangladesh at 40: Looking Back and Moving Forward', *Professor Sobhan* shed light upon the journey of Bangladesh, what was aspired at the time of independence, her achievements thus far, and the challenges that are still prevailing. By way of explaining where the country has fallen short of, he maintained that contrary to the public aspiration, mass poverty has perpetuated to an unacceptably high level over the past four decades even though the percentage level has decreased. He added that investment is necessary for upgradation of skills and productivity of the farmers, artisans, rural industries and garments workers which would enable them to gain more from their labours and improved productivity.

He stressed the need for democratisation of the economic opportunities by providing resources to the deprived for acquiring productive assets like land, water and technology, so that they may compete more equitably in the market place. He also emphasised on providing them access to education and health facilities.

About relationship with the two giant emerging neighbouring countries, India

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## The need for greater integration of South Asian countries stressed at SAES IV

Finance Minister A M A Muhith laid emphasis on greater cooperation among South Asian nations. While speaking as the Chief Guest at the Inaugural Session of the Fourth South Asia Economic Summit (SAES IV), he stressed the need to strengthen regional cooperation in five areas – food and energy security, connectivity, water sharing and migration. SAES IV was held during 22-23 October 2011 at the Ruposhi Bangla Hotel in Dhaka in continuation with



Rehman Sobhan addressing the inauguration session of the SAES IV while representatives from the partner organisations along with Finance Minister A M A Muhith pay attention

three previous SAES events held in Colombo, New Delhi and Kathmandu. The event was organised by CPD in collaboration with Institute of Policy Studies of Sri Lanka (IPS); Research and Information System for Developing Countries (RIS), India; South Asia Centre for Policy Studies (SACEPS), Nepal; South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal; and Sustainable Development Policy Institute (SDPI), Pakistan as co-organisers. Asian Development Bank

(ADB), Commonwealth Secretariat, United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP), Friedrich-Ebert-Stiftung (FES), India, the Royal Norwegian Embassy in Bangladesh, Oxfam Novib, and United Nations Development Programme (UNDP), Bangkok were the partners of the event.

In the Inaugural Session, Professor Mustafizur Rahman, Executive Director, CPD emphasised upon attaining the common goal

of a South Asia by 2020 where growth will be inclusive and citizen empowered. He expected that the Summit would be a platform to find a way to reach that goal. He also said that recommendations derived from the Summit would be forwarded to the then upcoming SAARC Summit scheduled to be held during 9-11 November 2011 in Maldives and to concerned foreign ministries and development partners for necessary actions. Dr Sarath Amunugama, Senior Minister for International Monetary Cooperation of Sri Lanka; Mr Ibrahim Hussain Zaki, Former SAARC Secretary and Special Envoy to the President of Maldives; and Dr Sham L Bathija, Senior Advisor Minister for the Economic Affairs to the President of Afghanistan spoke in the Inaugural Session and participated in different plenary sessions of the Summit.

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## Immediate action plan required to cope up with global and domestic economic concerns

Says CPD in a press briefing

The government should undertake immediate action plans to manage the ongoing economic concerns, which may otherwise aggravate the already deteriorating global and domestic situation. This suggestion was made at a press briefing held on 3 November 2011 at the CPD office on *Current Challenges of Bangladesh Economy*. Dr Debapriya Bhattacharya, Distinguished Fellow, CPD presented a report to the media titled



Debapriya Bhattacharya addressing the media along with the CPD research team

'Analytical Review of Bangladesh Macroeconomic Performance in Fiscal Year 2011-12 (First Reading)' prepared by the Independent Review of Bangladesh's Development (IRBD) Team of CPD.

The report identified three major achievements during the last fiscal year such as remarkable growth in export, impressive growth rate in revenue earning and turnaround in manpower export.

He noted that in spite of these positive changes, concerns such as adverse spillovers from global economic crisis, deepening stresses in public finance management, unabated price inflation and increasing pressure on the balance of payment were felt in the economy. As a

result the projected 7.0 per cent growth rate would be tough to attain during the fiscal year, he hinted. Though the South Asian economy as a whole was projected to grow at 7.2 per cent in 2012, it was mainly due to the growth of Indian economy. The report also said, due to the above mentioned weakened macroeconomic fundamentals, it would be difficult for Bangladesh to come up with response mechanisms as it did in 2008.

Dr Bhattacharya mentioned that as a strategy to combat food price hike, government had to resort to food import. This led to significant rise in subsidy requirement. Side by side fuel subsidy requirement also emerged as a critical issue due to growing demand for petroleum products which has arisen to service the quick rental and rental power plants. Dr Bhattacharya said, "Subsidy, however, is not a sustainable solution". He suggested to adjust fuel and power prices in a phased manner and advised the government to hike the price of fuel to make at par with India. But to mitigate discontent among the poor and the

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## Capital market should revive on its own

Said speakers at CPD dialogue

Analysts expressed the view that capital market should be left alone to revive on its own. Any intervention, whether from the government or the regulator, may give rise to hopes among the retail investors, but cannot ensure sustainability of the market, they said in a dialogue on *State of the Capital Market and Recent Policy Initiatives* organised by CPD at the BRAC Centre Inn on 12 December 2011. The speakers also said there should be coordination among the government, market regulator, central bank, stock exchanges and other stakeholders. *Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD moderated the session while *Dr Khondaker Golam Moazzem*, Senior Research Fellow presented the keynote paper.

In the keynote paper titled 'Mistake, Malgovernance and Malfunctioning: Stabilising the Capital Market of Bangladesh Addressing the Structural, Institutional and Operational Issues', *Dr Moazzem* said, extreme malgovernance coupled with a number of failures to undertake proper initiatives made the market dysfunctional. He suggested a number of measures including establishing SEC's role as the regulatory authority in the market, enforcing disciplinary measures against improper activities, strengthening SEC's surveillance mechanism among others to ensure medium-term stability. As there were little to gain from short-term measures, he urged that the capital market problems needed to be measured beyond political stance. He said injection of funds should not be the measure to stabilise the market.

*Dr Mirza Azizul Islam*, Former Finance Advisor to the Caretaker Government opined that there is no need to give incentive to the



*Khondkar Ibrahim Khaled speaking in the dialogue on state of the capital market while Mustafizur Rahman, Debapriya Bhattacharya and Mirza Azizul Islam are paying attention*

capital market. Advising the government to implement the packages that were already given to the market, *Mr Islam* observed that the primary market can play a vital role in stabilising the market. Still the initial public offerings (IPOs) are being oversubscribed, indicating the investor's interest in the primary market, he said. The secondary market is widely devalued right now due to exuberant pessimism and there are many securities where the investors can invest, he said. He called on the investors to not inject all their investable amounts in the market.

*Mr Khondkar Ibrahim Khaled*,

Chairman of Bangladesh Krishi Bank drew attention to the fact that measures by policymakers suggest that they have identified liquidity crisis to be the main factor hindering the recovery of the capital market from recent turmoil. He strongly maintained that initiatives based on such wrong assumption will not be effective to bring any expected stabilising outcome. As the Head of the Probe Committee to investigate the capital market crash in 2011, he claimed that the SEC did not take any step according to the Probe Committee Report against some people.

CPD Trustee Board Member *Mr M Syeduzzaman* urged the SEC to revise the newly issued notification on sponsor's share holding, as the paid up capital structure of the financial sector is different from the other sectors.

High officials from the major bourse of the country, high officials from banking and finance sector, academics, researchers, political leaders, former government officials were present in the dialogue.

## Bangladesh to focus on non-tariff issues in Eighth WTO Ministerial

Suggested CPD

On the eve of Eighth WTO Ministerial Conference CPD organised a dialogue on *Upcoming WTO Ministerial: Challenges for Bangladesh* at the Spectra Convention Centre on 7 December 2011. Bangladesh should focus more on non-tariff issues and not duty-free quota-free market access at the (then) upcoming WTO Ministerial, said *Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD and Former Bangladesh Ambassador to the WTO and UN Offices in Geneva while presenting a paper titled 'Doha is Dead, WTO Wins?' at the dialogue. *Professor Mustafizur Rahman*, Executive Director, CPD presided over the session.

*Dr Bhattacharya* said global economy is going through a critical time with soaring inflation, debt crisis and double-dip recession. Therefore, positive outcome from the Conference is hardly possible. Bangladesh has been raising DF-QF market access issues in previous WTO meetings without any outcome so far. Moreover, DF-QF has become more a political issue now. "In this situation we should move to second generation issues such as the rules of origin, non-tariff barriers and rules, and Intellectual Property Rights", *Dr Bhattacharya* observed.



*Mustafizur Rahman addressing the dialogue while (from left) Humayun Kabir, Amir Khosru Mahmud Chowdhury, Faruk Khan, psc, MP, Toufiq Ali and Debapriya Bhattacharya are also seen*

Other speakers opined that Bangladesh needs to explore human resource exports to the developed nations under services sector waivers which might help expand Bangladesh's trade and export. The issue, however, should be negotiated in a way so that the developed nations cannot put any condition.

Speaking as the Chief Guest Commerce Minister *Lt Col (Retd) Muhammad Faruk Khan, psc, MP* (who led the delegation in the Conference) mentioned that he was happy with the preparations taken by the government for the Geneva meeting. In this context he appreciated the suggestions

he received from different stakeholders including trade bodies and think tanks.

Former Commerce Minister *Amir Khosru Mahmud Chowdhury* stressed on pursuing DF-QF access of Bangladeshi products to the US market directly at the political level. He also agreed that Bangladesh has much potential to be benefitted from export of skilled and unskilled manpower.

Current and former high level government officials, eminent business leaders, academics, researchers and development partners also participated in the discussion.

## Bangladesh is the highest recipient of remittance among LDCs

Says UNCTAD report released by CPD

According to the 'Least Developed Countries (LDCs) Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development' prepared by the United Nations Conference on Trade and Development (UNCTAD) on 17 November 2011, Bangladesh has done better than many other LDCs in terms of overall development scenario particularly in economic vulnerability category. Bangladesh also remained the highest recipient of remittance



*Fahmida Khatun attended the media with (from left) Anisatul Fatema Yousuf, Mustafizur Rahman and Khondaker Golam Moazzem present at the press briefing*

among LDCs, according to the report. The report was unveiled by CPD on behalf of UNCTAD. *Dr Fahmida Khatun*, Head of Research, CPD presented the highlights of the report.

The report informed that Bangladesh's per capita Gross National Income (GNI) stood at USD 640 against the threshold of USD 905, Human Asset Index stood at 53.3 against the threshold of 60, which is good. But the country requires to raise her GNI and improve Human Asset Index further to achieve the status of a developing country.

this, the report called for channeling 1 per cent of the USD 3.5 trillion foreign exchange reserve to the LDCs that developed countries are holding as Sovereign Wealth Fund (SWF) to help them invest and build capacities.

*Professor Mustafizur Rahman*, Executive Director of CPD said this report will help the LDCs to press for the duty-free quota-free access to developed economies and aid for trade in the then upcoming Eighth WTO Ministerial.

UNCTAD report predicted a slow plunge in short and mid-term economic growth of the LDCs due to ongoing economic crisis. In order to upgrade their economies, the report recommended increase of trade and investment through South-South cooperation that would enhance their productive capacities. It also said that the LDCs cannot use their capacities and realise their economic potential in an absence of financial resources and technology. In view of

## CPD Board of Trustees meeting held

The 36th CPD Board of Trustees (BoT) meeting was held on 5 October 2011 at the CPD Dialogue Room. *Professor Rehman Sobhan*, Chairman of the CPD-BoT presided over the meeting. *Professor Mustafizur Rahman*, Executive Director, CPD briefed the Trustee members on the research, dialogue and publication activities undertaken since the previous meeting and presented CPD's research, dialogue and publication plan for October-December 2011 which was approved by the BoT. The Board also approved the revised CPD budget for the year 2011. *Noble Laureate Professor Muhammad Yunus*, Chairman, Yunus Centre and Former Advisor of the Caretaker Government; *Mr M Syeduzzaman*, Member, Board of Trustees, International Rice Research Institute (IRRI), Philippines and Former Finance Minister; *Mr Nurul Haq*, Former Member, Planning Commission, Government of Bangladesh; *Syed Manzur Elahi*, Chairman, Apex Group and Former Advisor of the Caretaker Government; *Mr Anisuzzaman*, Director General, Bangla Academy and Professor Emeritus, University of Dhaka; and *Advocate Sultana Kamal*, Executive Director, Ain o Salish Kendra and Former Advisor of the Caretaker Government were present at the meeting.

### stressed at SAES IV

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The overarching theme of SAES IV was *Global Recovery, New Risks and Sustainable Growth: Repositioning South Asia*. Within this broad theme, SAES IV focused on three cross-cutting issues which included global recovery and implications for South Asia, towards inclusive growth and role of regional cooperation and political challenges of South Asia. The Summit also discussed eight

thematic issues – food and energy security, trade and investment, transport connectivity, migration and remittance, water resources, climate change and role of non-state actors in development and democracy in South Asia.

In all these sessions participants discussed the current situation in South Asian countries in respective areas (issues), challenges ahead and areas of possible cooperation. More than a hundred overseas participants

including researchers, academicians, policymakers, business leaders, NGO leaders from the South Asian countries and beyond participated in the Summit.

Recommendations emerged from this two-day event was presented at the concluding session of the Summit. A report on the proceedings of the Summit was sent to the SAARC Secretary General for consideration during the discussion of the 17th Ministerial Meeting of SAARC in Maldives.

### Immediate action plan required

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farmers, provision should be made to provide them fuels at a subsidised rate.

Regarding ADP implementation, he informed that 70.6 per cent of ADP of FY2010-

11 had to be financed from local sources and this has led to heavy government borrowing from the banking system, putting pressure on credit availability for the private sector. In this connection, *Dr Bhattacharya* suggested better

utilisation of foreign aid, containment of inflation and bank borrowing, and efficient public spending in order to deal with the growing risks evident in the economy since the second half of the previous fiscal year.



## Political parties need to reach agreement to avoid system breakdown

Says CPD dialogue on National Parliament of Bangladesh

CPD in association with Chr. Michelsen Institute (CMI), Norway organised a dialogue titled *National Parliament of Bangladesh: Representation and Accountability* on 13 October 2011 at the BRAC Centre Inn Auditorium. Professor Rounaq Jahan, Distinguished Fellow, CPD and Dr Inge Amundsen, Senior Researcher, CMI jointly prepared a paper which was presented at the dialogue to initiate the discussion. The dialogue was chaired and moderated by Professor Rehman Sobhan, Chairman, CPD.



Rehman Sobhan addressing the dialogue on the Parliament of Bangladesh with (from left) Inge Amundsen, Rounaq Jahan, Shawkat Ali, MP, Anisul Islam Mahmud, MP, M K Anwar, MP and Mustafizur Rahman also seen

The paper conceptualises representation as the key role of parliament through representation of popular will, social diversity and constituency. The second key role is accountability of the MPs to the electorates and the third role is to holding the executive branch of the government accountable. Professor Jahan observed that as MP's electability depends upon his/her ability of representing the constituency, top priority has been given to development works in the locality. MP's annual allocation for development coupled with his/her gatekeeper role in expenditure of public sector benefits raise scopes for corruption and nepotism. She informed that current parliament is doing better than the previous ones with more than 18 bills being passed in one session which also means less scope for debate and deliberation in the house.

Professor Jahan suggested for the neutrality of Speaker which can be ensured by following the British model (resigning from party and

re-electing as Speaker) or election of Speaker by all party consensus. Echoing the suggestion of Dr Amundsen, she voiced the necessity of electing the head of the financial committees from opposition members. She also suggested the amendment of Article 70, engagement of civil society and citizens in the budget work for technical support and transparency, and formal procedures of involving opposition party in parliamentary proceedings.

Dr Amundsen posited a number of good practices around the globe including Open Budget

Index from South Africa, shadow cabinet from Uganda, and white paper for policy formulation from Norway.

Chief Guest of the Session, Hon'ble Deputy Speaker Shawkat Ali, MP expressed his disappointment for the lack of debates within the house. Mr Suranjit Sen Gupta, MP opined that the major parties had contributed to the ineffectiveness of the parliament through boycott. He identified intolerance, centralisation of power and confrontational politics as the dominant trends of political culture of Bangladesh hindering the democracy. Barrister Anisul Islam Mahmud, MP highlighted the need for strengthening the voice of the civil society to exert pressure on government on different issues.

In the open discussion, participants strongly criticised Article 70 for imposing strict party control on the MPs and restricting their freedom of expression, and demanded its amendment.

## In-house discussion on Democracy and Corruption

An in-house discussion on *Democracy and Corruption* was held at the CPD Dialogue Room on 15 October 2011. Dr Arne Wiig, Senior Researcher of CMI presented a paper titled 'Does Democracy Reduce Corruption', jointly authored by him and Dr Ivar Klostad, Research Director of CMI. The paper was prepared based on a study conducted under the CPD-CMI Research Cooperation Programme 2010-2013. Dr Wiig observed that the research indicated a substantive impact on corruption of incremental changes in democracy in relatively poor and somewhat democratic countries like Bangladesh. He said revitalising democracy is not only important in itself, that it also helps to reduce corruption. He observed as democracy matures, transparency and accountability increase, and corruption goes down. Dr Wiig noted that corruption may affect trust which in turn may affect democracy.



Arne Wiig addressing the CPD in-house discussion

## Bangladesh at 40

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and China, Professor Sobhan said this provides extraordinary opportunities for Bangladesh. Rather than being obsessed about the dominance of these neighbours, the CPD Chairman suggested to have confidence on our own competitiveness, professional capacities and negotiation skills to build relationships of mutual benefit with them.

Addressing the malfunctioning of the democratic process, he mentioned that the political oppositions over successive regimes have become marginalised because of its own

political immaturity of boycotting parliament. He warned that in the vacuum left by a non-performing parliament the sustainability of the democratic process would continue to be undermined.

Nobel Laureate Professor Sen recognised the progress of Bangladesh after her independence and said that the people who once branded Bangladesh as a 'bottomless basket' are now considering it as a model of progress.

Bangladesh, being a victim of global climate change should assume the leadership role in the climate battle as a starring role in action against global warming has significantly

enhanced the prestige of Bangladesh in the international arena, added Professor Sen.

Hon'ble Planning Minister A K Khandker said Bangladesh has made a diversified advancement in the last 40 years. Though there remain many challenges, growth of Bangladesh continued even amid global recession, said the Minister. He, however, admitted that there is still income gap between the rich and the poor.

With almost 600 people in the audience, the programme began with the national anthem of Bangladesh followed by songs and recitations on liberation. To pay tribute to the martyrs of the liberation war of Bangladesh, one minute silence was also observed.



## SAES IV to address trade issues and regional cooperation

### Press brief on SAES IV

A two-day gathering of policymakers, economists and civil society members from different countries of the region had been announced by CPD in a press briefing on 20 October 2011 at CPD office. The *Fourth South Asia Economic Summit (SAES IV)*, organised by CPD and dubbed as the largest assembly of experts on South Asia after the SAARC Summit was scheduled on 21-23 October 2011.

*Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD briefed the media about the upcoming event including the background of SAES, the objectives of SAES IV, detailed programme of the event, the issues to be highlighted and the expected participants.

*Professor Mustafizur Rahman*, Executive Director; *Dr Fahmida Khatun*, Head of Research; *Dr Khondaker Golam Moazzem*, Senior Research Fellow, CPD and journalists from eminent media houses of the country were present in the press briefing among others.

## CPD professionals in international fora

### Rehman Sobhan, Chairman

- Participated in a consultation meeting with UNDP, New York on 2 December 2011, in New York, USA.
- Attended the *Delhi Economics Conclave* organised by Department of Economic Affairs, Ministry of Finance, Government of India, on 12-17 December 2011, in New Delhi, India.
- Attended the Opening of the ESCAP Sub-regional Office for South and South West-East Asia and *High Level Policy Dialogue on Development Challenges facing the South and South-West Asia* on 15-16 December 2011, in New Delhi, India.

### Mustafizur Rahman, Executive Director

- Attended the *Asia-Pacific Policy Forum on Regional Trade Agreement and Food Security*, organised by Food and Agricultural

Organization of the United Nations (FAO) and Agriculture Trade Promotion Centre, Ministry of Agriculture, China on 25-26 October 2011, in Beijing, China.

- Attended the *Eighth WTO Ministerial Meeting* on 15-17 December 2011, in Geneva, Switzerland.

### Debapriya Bhattacharya, Distinguished Fellow

- Attended the *World Economic Forum's Global Agenda Council on Poverty & Economic Development 2011* and the *Summit on the Global Agenda* as a Member, Global Agenda Council (GAC) on Poverty and Development, World Economic Forum (WEF) on 9-11 October 2011, organised by the WEF, in Abu Dhabi, UAE.

- Participated in the *Brainstorming on Key issues regarding the Future of the Multilateral Trading System* as Speaker on 14 December 2011, in Geneva, Switzerland.

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## Publications from outside of CPD

### Journal Article

- Ahamad, M.G. and Islam, A.K.M.N. 2011. "Electricity Consumption and Economic Growth Nexus in Bangladesh: Revisited Evidences." *Energy Policy*, 39 (10): 6145-6150.

### Policy Brief

- Bhattacharya, D. and Hossain, S.S. 2011. *Securing the Outcome of the UN LDC IV: The Need for an Independent Monitoring Mechanism*. Policy Brief No. 5. Geneva: International Centre for Trade and Sustainable Development (ICTSD).

### Reports/Conference Papers

- Sobhan, R. 2011. *Challenging the Injustice of Poverty: Operationalising Agendas for Inclusive Development across South Asia*. Paper presented to UNDP, New York.
- Bhattacharya, D. 2011. "China's Trade Relations with LDCs in the Post-WTO Accession Period." In Meléndez-Ortiz, R., Bellmann, C. and Cheng, S. (eds.). *A Decade in the WTO: Implications for China and Global Trade Governance*. China, Trade and Sustainable Series. Geneva: International Centre for Trade and Sustainable Development (ICTSD).
- Bhattacharya, D. and Hossain, S.S. 2011. *Least Developed Countries in the Next Decade: What is there in the Istanbul Programme of Action?* Report prepared under the Dialogue on Globalization Program. Geneva: Friedrich-Ebert-Stiftung (FES), Geneva Office.
- Bhattacharya, D. and Misha, F.A. 2011. *China and the Least Developed Countries: An Enquiry in the Trade Relationship during the Post-WTO Accession Period*. Report prepared for the UNDP China Office for 'China's Entry into WTO Project.' Beijing: China Development Research Foundation (CDRF).

- Rahman, M. and Iqbal, M.A. 2011. *Bangladesh and SAARC Initiatives: Achievements and Unfinished Agendas*. Presented at the Seminar on "Bangladesh at 40: Changes & Challenges," organised by the Faculty of Business Studies, Jahangirnagar University, Dhaka.

- Bhattacharya, D. and Misha, F.A. 2011. *Four Decades of Bangladesh Economy: Whither Structural Change?* Presented at the Seminar on "Bangladesh at 40: Changes & Challenges," organised by the Faculty of Business Studies, Jahangirnagar University, Dhaka.

- Rahman, M. and Hossain, S.S. 2011. Report of the Sub-Committee 4 of the Core Committee on Transit, set up by the Ministry of Commerce.

### International Magazine Articles

- Khatun, F. 2011. A Regional Outlook for Climate Finance in South Asia. *Trade Insight*, 7 (3-4): 18-21.
- Rahman, M. and Hossain, S.S. 2011. Seventeenth SAARC Summit in Maldives: Some Reflections on the Outcomes. *Trade Insight*, 7 (3-4): 46-48.

### Newspaper Articles

- Hasanuzzaman. 2011. Thinking beyond Narayanganj. *The New Age*. 1 November.
- Rahman, M. 2011. জ্বালানিতে অতিরিক্ত ভর্তুকি অর্থনীতিকে ঝুঁকিপূর্ণ করে তুলেছে. *Daily Ittefaq*. 21 November.
- Bhattacharya, D. 2011. Current macroeconomic challenges for Bangladesh. *The Independent*. 27 November.

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## Research Division Report

### A Decade of China's Accession to WTO: Implications for the LDCs

**Accession** of China to the WTO, a decade back, had wide-ranging and diverse impact on the global as well as on the Chinese economy. China's trade relationship with the LDCs has also undergone significant changes in the post WTO accession decade. In this context the paper seeks to analyse trend, nature and determinants of the evolving trade relationship between China and the LDCs. The paper reveals that while exports from the LDCs to China and exports from China to the LDCs have both grown markedly during 2000-2010, the former has grown more resulting in positive trade balance in favour of the LDCs. The paper also finds that China's imports are funneled towards mostly the African LDCs compared to the Asian LDCs, in the areas of manufacturing, ores and metals. Jointly authored by *Debapriya Bhattacharya*, Distinguished Fellow; *Farzana A Misha*, Senior Research Associate and *Nusrat Jahan Tania*, Programme Associate of CPD, the paper will be published as a UNDP report.

### Bangladesh and SAARC Initiatives: Achievements and Unfinished Agendas

The paper prepared under this study looks at the evolution of regional economic cooperation under the RTA in the SAARC region. It also analyses the coverage of agriculture under the SAFTA Agreement from the perspective of food security and analyse the future prospect of regional cooperation. The paper has recommended a number of steps to make SAFTA operational including pruning the sensitive lists, signing of mutual recognition agreements to address the NTBs and in terms of taking regional cooperation beyond goods into services and energy activity. The paper has drawn attention to the fact that a number of SAARC countries lie on the frontier of climate change impact, and that food security has emerged as a major concern in South Asia, aggravated by high prices and adverse climate change impact. The paper was jointly authored by *Mustafizur Rahman*, Executive Director and *Md. Ashiq Iqbal*, Senior Research Associate of CPD.

### Liberalising Health Services under the Proposed SAARC Framework Agreement on Trade in Services (SAFAS): Implications for South Asian Countries

The study examines the prospects and challenges of liberalising trade in health services under the proposed SAFAS in five South Asian countries, namely Bangladesh, India, Nepal, Pakistan and Sri Lanka.

Country-specific secondary information, and brief literature review on empirical studies are employed to explore the issues related to liberalising health services trade. The study, in collaboration with ADB, is being led by *Fahmida Khatun*, Head of Research and *Mazbahul Golam Ahamad*, Research Associate of CPD is providing the research support. This paper will be published as a book chapter from ADB. Revised version of this paper is also submitted to an international peer-reviewed journal.

### Study on the Prospects and Impact of Increased Intra-regional Trade and FDI in the Light Engineering Sector in South Asia

**Even** with various kinds of internal and external constraints prevailing in LDCs, some industrial sectors have become globally competitive and participate in global value chain which would become example for enterprises of other less competitive sector. This study put forward a comparative analysis of blades and bicycle sub-sectors of light engineering sector of Bangladesh and has tried to identify differences between their competitiveness and extent of participation in the global value chain and explore the possibilities in the regional value chain. The study finds that it is comparatively easier to be a part of global value chain than regional one for both the sectors due to a number of constraints. This study was conducted by CPD in collaboration with Jamia Milia Islamia University. The paper, jointly authored by *Khondaker Golam Moazzem*, Senior Research Fellow and *Mehrana Islam Chowdhury*, Research Associate of CPD will be published as a book chapter from Jamia Milia Islamia.

### Making SAFTA Effective: An Approach to Prune Sensitive Lists in South Asia

A long sensitive list maintained by member countries of SAFTA has been argued as a major stumbling block towards enhancing intra-regional trade of South Asian countries. The list is supposed to be revised every four years on which the member countries are currently working on. Taking into account the ongoing initiative of reviewing sensitive list, CPD conducted this study with the above mentioned title initiated by the ICRIER, India in collaboration with five research organisations of South Asian countries. The objective of the study is to examine the sensitive lists of member countries, and to suggest 'offer' lists that can be pruned from the lists. CPD conducted this study in collaboration with ICRIER. The outcome paper was jointly authored by *Khondaker Golam Moazzem*, Senior Research Fellow and *Kishore Kumar Basak*, Research Associate of CPD.

#### International fora

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- Participated as the Chair and Speaker in various sessions in the *Trade and Development Symposium (TDS)* organised by the ICTSD on 16-17 December 2011, in Geneva, Switzerland.

#### *Khondaker Golam Moazzem*, Senior Research Fellow

- Participated a workshop on *Research & Capacity Building for Strategic and Economic International Relations in South Asia* organised by ICRIER, India on 31 October-12 November 2011, in New Delhi, India.

#### *Md. Tariqur Rahman*, Senior Research Associate

- Participated in the *Workshop on Trade and Trade Policy Analysis* on 10-14 October 2011, organised by UNCTAD Virtual Institute, in Geneva, Switzerland.

#### *Mazbahul Golam Ahamad*, Research Associate

- Participated in the UNU-IHDP training workshop on *Asian Development Pathways in the Context of Transitions towards a Green Economy*, on 17-21 October 2011, in Nanjing, China.

#### *Mehrana Islam Chowdhury*, Research Associate

- Participated in the *Capacity Building Workshop on Use of Gravity Modeling* on 9-11 November 2011, in New Delhi, India.
- Participated in the *23rd Biannual Research and Training Workshop* on 5-10 December 2011, in Kathmandu, Nepal.

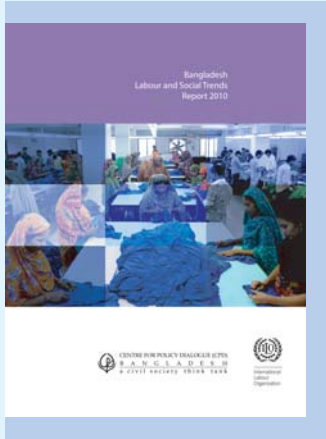


## CPD Publications

## CPD-ILO Publication

**Bangladesh Labour and Social Trends Report 2010**

Mustafizur Rahman, Khondaker Golam Moazzem, Syed Saifuddin Hossain, Md. Ashiq Iqbal and Md. Tariqur Rahman



The past decade of 2000s has been a significant period from the perspective of development experience of Bangladesh. Along with acceleration in the rate of GDP growth, export and remittance earnings, and poverty reduction, Bangladesh also experienced a number of challenges in terms of maintaining low inflation, macroeconomic stability and addressing volatility in the international scenario in the backdrop of recession and financial meltdown. CPD, in collaboration with the International Labour Organization (ILO), undertook the task to prepare this country study to analyse the implications of these developments for the labour market dynamics in Bangladesh.

The report contains analyses of three thematic areas – *Trends in Labour Market and Social Development in Bangladesh*; *Impact of Trade on Employment*; and *International Migration, Remittance and Welfare Outcomes*. It examines some of the core labour market correlates such as generation of employment opportunities and its sectoral distribution, gender dimension of the jobs created, movements in real wages, inter-linkages between trade reforms and employment generation and employment situation, and linkage between overseas job market and the domestic labour market.

**CPD Working Paper 94****Adopting Transfer Pricing Regime in Bangladesh: Rationale and the Needed Initiatives**

Mustafizur Rahman, Md. Shabbir Ahmed and Towfiqul Islam Khan

**CPD Dialogue Report 104****National Parliament of Bangladesh: Representation and Accountability**

Hasanuzzaman

**CPD Policy Brief 44****Recommendations for the Members of Parliament from National Budget Analysis for the Ultra Poor**

Fahmida Khatun, Towfiqul Islam Khan and Ashiqun Nabi

**Publications from outside of CPD**

(from page 6)

- Rahman, M. and Khan, T.I. 2011. Transfer pricing: An emerging concern for Bangladesh. *The Independent*. 27 November.
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House 40/C, Road 32, Dhanmondi R/A, Dhaka 1209, Bangladesh; Mailing Address: GPO Box 2129, Dhaka 1000, Bangladesh

Telephone: (+88 02) 8124770, 9141703, 9141734, 9145090; Fax: (+88 02) 8130951

E-mail: info@cpd.org.bd; Website: www.cpd.org.bd; Blog: www.cpd.org.bd/Blog/

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