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CPD

Centre for
Policy
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Bangladesh

Quarterly

FROM
the editor's desk

The second quarter had been an eventful period for CPD. Ample time and effort was put into organizing a series of dialogues in various district headquarters of the country as a sequel to the Citizen's Forum titled National Election 2007: Civil Society Initiative for Accountable Development held on 20 March 2006. These regional dialogues were geared towards mobilizing public opinion in favour of an accountable and transparent development process in Bangladesh, setting out recommendations to ensure nomination of honest and competent candidates by the political parties for the upcoming elections to the ninth parliament and prompting ways to assure free and fair election. There was a genuine concern and interest manifested by the civil society groups, who participated in large numbers in the regional dialogues, for establishment of good governance at all levels of the government. Suggestions and ideas voiced in these dialogues will provide meaningful ingredients and inputs for the Vision 2021 for Bangladesh which the Nagorik Committee 2006, constituted at the aforesaid Citizen's Forum, was entrusted to prepare. These will also be valuable in drawing up a list of urgent tasks to be carried out by the Caretaker Government and the newly elected government. As secretariat to the Nagorik Committee 2006, CPD was engaged in preparing both the documents during the second quarter. Once the documents are drafted they will be widely disseminated for review, comments and discussions.

It is encouraging to note that these dialogues are being seen as a true expression of Bangladesh civil society's aspirations to become citizens of a country that has won its battle to eradicate poverty, is economically developed, governed on the basis of equity and justice, and adheres to principles of accountability and transparency.

During this quarter, CPD also undertook a study to better understand the ongoing dynamics in the country's export-oriented RMG sector. As part of this study, CPD initiated a representative Sample Survey of the RMG enterprises to draw information and insights on such issues as process innovation, product diversification, competitiveness, technology adoption, capital and labour productivity and market diversification. It is hoped that this study, the first phase of which is scheduled to be completed by December 2006, will be helpful in developing future strategies for this critically important and highly potential sector.



National election dialogue

Electoral and political reforms must for
electing competent candidates

Speakers urge at the regional dialogues

As part of its on-going programme National Election 2007: Civil Society Initiative for Accountable Development, the Centre for Policy Dialogue (CPD) organized a series of regional dialogues across the country focused on politically accountable development process, good governance and nomination of competent and honest candidates by the political parties in the upcoming elections. These dialogues were jointly organized with Prothom Alo, The Daily Star and Channel i. The first round of the series consisted of five regional dialogues: Mymensingh on 29 April 2006; Jassore, Comilla and Barisal respectively on 13, 20, 27 May; and Sylhet 17 June 2006.

Speakers at the regional dialogues suggested a number of reforms in the existing government and political structures to ensure a fair and free election. Some of the common recommendations from the regional dialogues were:

- Political parties should undergo necessary reforms to attract honest and educated people in politics and to establish true democracy which will lead to the nomination of worthy candidates.
- Political parties should finalize the list of nominations well ahead of the

elections to minimize the scope for corruption associated with nominations immediately before the election.

- As regards nomination for election, political parties should give priority to party activists with long term involvement in local politics rather than wealthy aspirants.
- There should be a choice of 'no-vote' in the ballot paper in case none of the candidates is deemed preferable to the voter.
- Voters should be provided with ID cards to reduce false voting.
- Individuals losing the election twice in a row should be considered ineligible for nomination.
- Renegade politicians should be barred from contesting in the election for at least subsequent 5 years.
- Retired government officers and army personnel should not be allowed to compete in the election unless they spend at least 5 years in local politics after retirement.
- Dishonest and black money holders should be barred from participating in the election.
- Measures have to be taken to ensure women's direct participation and fair competition in the election.

(Continued on page 2.)



A budget for everybody but for nobody

CPD's initial analysis of budget-FY07 unveils



CPD organized a press briefing on the National Budget 2006-07 at the CIRDAAP Auditorium on 9 June 2006 to present its analysis of the proposed budget. The press briefing was broadcasted live on NTV, a local TV channel. A large contingent of media personnel, from both print and electronic media, was also present to ensure exclusive coverage of the session. Debapriya Bhattacharya, Executive Director of CPD, briefed the press on CPD's initial response to the proposed budget. Head of Dialogue and Communications Anisatul Fatema Yousuf, Senior Research Fellows Uttam Kumar Deb and Fahmida Khatun, Research Fellow Khondaker Golam Moazzem, and other members of CPD's Budget Analysis Team were present at the press briefing. Labeling the budget as 'a budget for everybody, but a budget for nobody', Bhattacharya criticized the budget not only for lack of courageous or creative fiscal and institutional initiatives for the next financial year but also for indicating symbolic allocations in disparate areas. He also observed that the budget speech should have included a more comprehensive analysis of the regime's overall economic performance. He said that the proposed budget was a 'swan song' of the finance minister with long lists of claims, little

provision for delivery and absence of vision.

Bhattacharya mentioned that although the budget recognized the issues of widespread corruption, it did not include any proposal to monitor wastes, leakage and theft of public resources. With regard to the proposed restructuring of the tariff schedule, Bhattacharya noted that tariff reduction on some specific food items would not have any significant effect on the market. Moreover, the inflation was expected to continue due to oil price hike. Bhattacharya spoke in positive note on government's policy as regards petroleum price. However, he pointed out that the proposed budget did not apply macroeconomic theories to elaborate how the future fiscal and monetary policy will achieve the targeted growth rate. Debapriya criticized the increase of hospital fees that would adversely affect the poor. He was also critical about the motive behind maintaining a block allocation of Tk 6124 crore, almost nine per cent of the budget. Bhattacharya noted that the Caretaker Government was likely to inherit a low equilibrium economy and [sounded a cautionary note] cautioned that by the time the new government gets on with its economic policies and programmes to bring the PRS in line, FY07 will be almost over.

CPD's budget analysis for the MPs

CPD made a couple of presentations on 'Budget Analysis from PRSP Perspective-2006-07: Role of MPs' at the three-day workshop with Members of Parliament organized by Strengthening Parliamentary Democracy Project of UNOPS at the Bangladesh Institute of Parliamentary Studies.

CPD Executive Director Debapriya Bhattacharya made a presentation titled 'Bangladesh's Poverty Reduction Strategy and the National Budget 2006-07' on 12 June 2006.

CPD Senior Research Fellow Uttam Kumar Deb made a presentation titled 'Agriculture in National Budget (2006-2007) from PRSP Perspective' on 13 June 2006.

National election dialogue

- Candidates should submit a statement of their assets and liabilities which, if deemed so, will be subject to investigation by the Election Commission.
 - Educational qualification of the candidates should be declared in the nomination form and the minimum educational qualification of the candidates should be a Bachelors degree.
 - Government should protect the minority's right to vote and should revitalize the spirit of secularism as stated in our constitution to establish true and participatory democracy.
 - Necessary amendments should be made to the Election Commission to make it autonomous, efficient, powerful and neutral, as well as to the election process in order to ensure a free and fair election.
 - Election for the candidates should be financed by the state to reduce the influence of black money and muscle power in the election campaign.
 - Lawmakers should not have direct involvement with the local development activities.
 - Anti-Corruption Commission should be made autonomous.
 - Members of Parliament should be held accountable for violating any commitment made during election campaign.
 - Awareness raising among the common people, particularly on political issues, is very crucial. Media should play a vital role in educating the public about the duties and responsibilities of a Member of the Parliament.
 - Opposition parties should not walk out during parliamentary session as it limits the opportunity to settle any disputes regarding issues of national concern.
 - The development vision of the country must include specific guidelines for student politics.
 - The development plan of the country should also encompass modernization of agriculture and the interests of farmers, fishermen and weavers.
 - Nagorik Committee 2006 should engage in dialogues with major political leaders to persuade them to nominate honest and competent candidates.
 - The campaign for honest and deserving candidates should be spread to villages and grassroots levels to create public opinion against black money holders and in favour of honest and competent candidates.
- All the regional dialogues were widely participated by local law-makers, politicians, intellectuals, academicians, students, civil society representatives, development practitioners, business people and local elites.



Revision of minimum wage crucial for survival of RMG sector

Experts welcome the tripartite deal



Garment factory owners and trade union leaders engaged in heated debate on minimum wage for the RMG sector at the CPD dialogue on Recent Unrest in the RMG Sector: Where Does the Solution Lie? held at the CIRDAP auditorium on 7 June 2006. Aman Ullah Aman, MP, State Minister for Labour and Employment attended the dialogue as the Chief Guest, while Faruk Khan, MP and Redwan Ahmed, MP were present as Special Guests. Commerce Minister Hafiz Uddin Ahmed, MP; BGMEA President Tipu Munshi; BKMEA President Fazlul Haque and worker's representative Fazlul Haque also addressed the meeting. Debapriya Bhattacharya, Executive Director of CPD, initiated the discussion, while Syed Munzur Elahi, Former Advisor to the Caretaker Government, moderated the dialogue.

The tripartite agreement, parties to which were the owners and workers of the RMG sector and the government, was signed on 12 June 2006. The deal was considered to be a vital step towards bringing normalcy to the sector, particularly in the backdrop of the recent unrest. The 10 point agreement includes upward revision of minimum wage, weekly holidays,

maternity leave and trade union activity at the factories. The owners of garments factory, however, did not concede to a demand for 30 per cent interim dearness allowance.

Some of the trade union [labours] leaders accused the owners of making substantial profit at their expense stating that the owners rip all the benefits from the export and grossly deprive the hard working labours. The labour leaders blamed the owners of applying self-made rules and demanded proper implementation of state laws. They also demanded the right to have trade unions to voice their demands and maintain harmony within the factories. They also asked for regular inspection by the government to look after the well-being of the workers as the workers are often harassed and tortured by the factory's mid-level management.

The employers pointed out that their profit margin was significantly reduced in recent years. They demanded that the revised salary should be based on their profit. They stressed that excess benefits to the workers can be provided only if there is considerable decrease in the cost of production, which can be achieved if the government develops the necessary infrastructure. BGMEA president Tipu Munshi urged that a sound labour-employer relationship was essential to solve the current crisis.

Amanullah Aman assured that the government would start implementing the tripartite deal as early as possible. Commerce Minister Hafiz Uddin Ahmed, MP said that the current salary of the garment workers should be increased in consideration of current market price. He also spoke in favour of allowing trade unions to operate in the factories for ensuring internal peace. Underscoring the reality that the tenure of the present government would expire within next four months, the employer-workers issues should be resolved through discussions and mutual considerations, he continued.

Speakers also observed that the recent upheaval was an outburst of workers' frustration which has accumulated over the years as the responsible authorities failed to uphold their labour rights. In this context, the labour representatives and trade union leaders strongly urged the owners to expedite the implementation of the agreement and solve the issue before expiry of the term of the present government.

Inequality, poor governance key challenges to growth

Speakers identified RMG labour unrest to be a result of deprivation

Speakers at a roundtable titled 'Future Challenges of Development' identified widening inequality and poor governance as major hindrances to the growth of Bangladesh economy. They also pointed out the recent unrest in the RMG sector as a clear indication of growing disparity between the rich and the poor.

The roundtable was organized by CPD at BRAC Centre Inn, Dhaka in collaboration with the Institute of Development Studies (IDS), Sussex and Danish Institute for International Studies (DIIS), Copenhagen on 24 May 2006. The two sessions of the programme were facilitated respectively by CPD Executive Director Debapriya Bhattacharya and Dr Martine Greeley, Research Fellow of IDS.

Identifying poor governance as the weakest area, Chairperson of BRAC Fazle Hasan Abed called for political and judicial interventions to improve governance. He commented that Bangladesh has made considerable progress in various areas but still needs to address labour issues such as effective trade unions. Lack of effective political institutions was identified as a root cause of poor governance in the country. Speakers also expressed their concern over the growing inequality in the country and suggested that non-distorting asset redistribution and greater access to agricultural credit could be a solution to the problem.

A number of other issues that came up during the discussion included nuclear proliferation, environmental degradation, spread of HIV/AIDS and avian influenza, religious fundamentalism and re-emergence of East-West tension. Syed Moinul Ahsan, Rushidan Islam Rahman, Mirza Azizul Islam, Amirul Islam Chowdhury, and Akbar Ali Khan also spoke on the occasion as designated discussants.

Multilateralism at risk due to non-cooperation among nations

Experts observe at CPD dialogue

David Malone, Deputy Minister of the Canadian Government, expressed deep concern over the growing non-cooperation between the UN member countries. He was the keynote speaker at the dialogue titled 'Is multilateralism in Crisis?', organized by CPD on 18 April 2006 at Hotel Lake Shore, Dhaka. Moderated by CPD Chairperson Rehman Sobhan, among others the dialogue was attended by Barrister Ziaur Rahman Khan, chairman of parliamentary standing committee, as the Chief Guest. Syed Ashrafur Islam, MP, former foreign secretary Farooq Shobhan and CPD Executive Director Debapriya Bhattacharya also addressed the meeting. Malone stated that human rights were being extensively compromised in the recent years and that the US's reputation for upholding human rights has certainly suffered. He, however, stressed that multilateralism have improved human rights condition globally with the health sector benefiting the most as many lethal diseases were eradicated through multilateral efforts. He also asserted that Canada is a firm believer of multilateralism and [that Canada] it was working with the World Bank and other multilateral organizations raising the efficacy of foreign aid. Referring to Malone's speech, Ziaur Rahman Khan, MP said 'Demonstration of unbridled and unilateral power has caused formidable problems for smaller countries since there was no balance of power.' He added that many violent invasions and interventions have taken place in weak countries in the name of multilateralism. Debapriya Bhattacharya, in his comments, stated that being one of the most powerful economies in the world, Canada should play a more active role in international politics. A number of speakers at the dialogue voiced their concerns over the issue of conservatives dominating the UN, and identified their influence.



Nagorik Committee 2006 starts its activities

The 27-member Nagorik Committee 2006, led by Professor Rehman Sobhan, was announced at a Citizen's Forum in Dhaka on 20 March 2006 jointly organized by CPD, Prothom Alo and The Daily Star. The objectives of the Nagorik Committee 2006 are to: prepare Vision 2021 for Bangladesh and conscientize citizens of their political, social and economic rights with a view to promoting the cause of good governance and establishing a transparent and accountable government in the country so that a firm democratic political system is established.

The Nagorik Committee 2006 organized a press briefing on 16 April 2006 on the Outcomes of the First Nagorik Committee Meeting in order to inform the general public of its goals. Debapriya Bhattacharya, Member Secretary of the Nagorik Committee 2006 and Executive Director of CPD reiterated that [through this initiative] through the Initiative for Accountable Development civil society does not aspire to take part in politics, but wants to mount pressure from outside to ensure a transparent, fair and corruption-free political process. He also stated that the nomination of clean candidates has now become a national demand and reforms were needed in the electoral process of the country to this end.

The Committee held meetings with the National Board of Revenue on 8 May 2006 to discuss ways to prevent the use of black money in the upcoming general elections and met with the Anti-Corruption Commission on 23 May 2006 urging them to establish a guideline for

the Election Commission for ensuring the nomination of clean candidates. It also sent an open letter to the Chief Election Commissioner asking him to take initiative for updating the electoral roll.

The major issues discussed in subsequent meetings included identifying six key areas to focus on the outline for the vision document, appraisal of recommendations from the on-going regional dialogues, promotion of competent candidates, disclosure of candidate's educational background, professional experience, source of income, tax returns, amount of wealth owned by the candidate and his/her immediate family members, any previous criminal record and/or default of bank loans, as well as change of political party affiliations, amendment of the Representation of the People Order (RPO), 1972, formulation of a list of 'citizens' aspirations', use of black money in the election and the role of the NBR and dissemination of the suggested 'Electoral and Political Reforms' brief through the print media.

In particular, 8 goals for vision 2021 were recognized at the 5th Nagorik Committee meeting. These are to become a participatory democracy; to have an efficient, publicly accountable, transparent and decentralized government; to become a poverty-mitigated middle-income country; to have a health-endowed nation; to have a skilled and a creative workforce; to become a globally integrated regional economic and commercial hub; to be environmentally sustainable; and to be a more inclusive and equitable society.

Consultation meeting with young professionals

CPD organized a consultation meeting with young professionals on 4 April 2006. Barrister Manzoor Ahmed of BRAC, Syed Kaiser Kabir of Renata, Imran Rahman, Associate Professor of IBA, Dhaka University, Syed Nasim Manzur of Apex Footwear and Zafor Sobhan, Assistant Editor of The Daily Star were present at the meeting. The participants shared their views and thoughts on the state of current political situation in the country and also discussed avenues of collaboration with various activities being undertaken by CPD as part of its programme titled National Election 2007: Civil Society Initiative for Accountable Development.

Consultation meeting with diplomats

A consultation meeting on National Election 2007 with a number of diplomats was held on 6 April 2006. Christine Wallich, Country Director of the World Bank; Reneta Dessallillien, United Nations Resident Coordinator; Putu M Kamayana, Senior Country Programs Specialist of ADB; Firoz Ahmed, Head of Governance at ADB; Gene V George, Mission Director of USAID; Gazi M Hassan, Political Specialist at the Japanese Embassy; Jason Grimes, Head of Political Section British High Commission; Hans Nicklasson, Minister, Embassy of Sweden; Georg Rademacher, Head, Development Co-ordination, German Embassy; H E Kees Beemsterboer, Ambassador of Netherlands; H E Aud Lise Norheim, Ambassador of Norway; H E Dora Rapold, Ambassador of Switzerland; Jean Romnicianu Deputy Head of the Mission of France; H E Pietro Ballero, Ambassador of Italy; H E Douglas Foskett, Australian High Commissioner; Mahfuz Anam, Editor and Publisher of The Daily Star and Abdul Quayum, Joint Editor of the daily Prothom Alo were present at the meeting.



Executive Director of CPD Debapriya Bhattacharya provided the background information on CPD's 2001 and 2003 policy initiatives and discussed the activities and potentials of CPD's programme on Civil Society Initiative for Accountable Development in the current context. He emphasized on the fact that aforesaid programme was a home-grown initiative, and CPD along with Prothom Alo, The Daily Star and Channel i intended to implement a number of activities with a view to making citizens' voice heard and taken note of. Bhattacharya mentioned in this context that all these activities were being carried out without any financial assistance from the donor organizations.



Discussion meeting with the media

CPD invited the editors of the leading newspapers of the country to discuss the activities related to National Election 07 at a meeting held on 2 May 2006. CPD briefed the editors on the various activities planned under the Civil Society Initiative for Accountable Development. Although the programme was being carried out jointly with Prothom Alo, The Daily Star and Channel i, CPD sought the cooperation and support of other print and electronic media. A discussion took place on how the print and electronic media could be more meaningfully involved in the outreach programmes being organized by CPD.

Meeting with NGOs with similar interest

CPD organized a couple of meetings with NGOs on the upcoming National Election 2007 on 4 and 11 May 2006. Leading NGOs, involved with the election campaign, public awareness building and policy advocacy, were invited. The main focus of the meetings was to discuss ways of working together with those NGOs in making the programme on Civil Society Initiative for Accountable Development a success. The participants expressed their views on how the collective effort of the organizations could advance the initiative.

**In-house meeting****Expert group meeting on State of Bangladesh Economy in FY2006**

As has been the tradition in recent years, CPD organized an Expert Group Consultation Meeting on 30 May 2006 to discuss the working document of the Second Reading of the State of the Bangladesh Economy FY2006. Held at the CPD Dialogue Room, this in-house meeting was attended by a distinguished group of high level policy-makers and professionals.

M Syeduzzaman, Member of CPD Board of Trustees and Chairman of Bank Asia chaired the session. The panel of experts included Fakhruddin Ahmed, Managing Director of PKSF and Former Governor of Bangladesh Bank; Quazi Mesbahuddin Ahmed, Member (GED) of Planning Commission; Syed Moinul Ahsan, WBI Resident Advisor of Bangladesh Bank; Mohammad Farashuddin, President of Board of Directors of East West University and Former Governor of Bangladesh Bank; Saadat Husain, Former Secretary of Cabinet Division and Chairman of Bangladesh NGO Foundation; Mirza Azizul Islam, Chairman of Sonali Bank and Former Chairman of Securities and Exchange Commission; Akbar Ali Khan, Director of Centre for Governance Studies, BRAC University; and Kaniz Siddique, Consultant at the Ministry of Finance.

Recent issues in development research

CPD organized an in-house dialogue titled Recent Issues in Development Research on 12 April 2006. Developmental Economics Professor Fred Nixon of the University of Manchester, UK made the presentation which was followed by a question and answer session.

Aid and fiscal policy—Bangladesh

CPD hosted an in-house dialogue on 17 April 2006 where Ashna Rahman, a PhD student at the School of Economics of University of Nottingham presented a paper on Aid and Fiscal Policy—Bangladesh. The paper discussed a number of issues such as impact of foreign aid on government expenditure, and response of tax revenue to the growth of overall economy of the country.

Other meetings**TRRPD steering committee meeting**

CPD is planning to conduct a series of studies to advance Bangladesh's trade interests and strengthen negotiating capacity in the context of the World Trade Organization (WTO) and the regional and bilateral trade agreements. The studies would include among other issues the Post-Hong Kong Strategy for duty and quota-free

market access for Bangladesh, raising competitive strength vis-a-vis China in the US market, strategy for services negotiations including Mode 4, and structural changes in the post-MFA RMG sector of Bangladesh.

These decisions were announced at a meeting of the Steering Committee of CPD's Trade Related Research and Policy Development (TRRPD) programme. The meeting took place at the Ministry of Commerce on 28 May 2006. International Chamber of Commerce Bangladesh (ICC-B) President Mahbubur Rahman and Commerce Secretary Md. Abdul Karim co-chaired the meeting. The members also advised CPD to initiate studies on modalities in bilateral free-trade agreements with India and Pakistan, and poverty and income distribution consequences of trade liberalization and export growth. Debapriya Bhattacharya, Executive Director of CPD briefed the guests on CPD's trade related research, policy advisory, capacity building, publications and outreach activities. The Steering Committee members appreciated CPD's contribution to the country's trade policy making. The members came up with a number of suggestions to make TRRPD programme more effective.

**CPD RMG Study: Advisory committee meeting**

The second meeting of the CPD RMG Study Advisory Committee was held on 22 June 2006 at CPD dialogue room. The meeting was presided over by Executive Director of CPD Debapriya Bhattacharya. Representatives of BGMEA, BKMEA, BTMA and other organizations, leading entrepreneurs, trade union leaders and the CPD research team took part in the discussion. The meeting centered round implementation of CPD Survey of the RMG units. Participants advised the CPD team to investigate the impact of a number of new issues on the future prospects of the sector—phasing out of Chinese quota in US, improvement of infrastructure facilities and upward revision of the minimum wage. The members expressed their satisfaction over the progress of the study and hoped that the study will be able to throw important insights as regards the future challenges facing the RMG sector and measures to address those challenges.

Meeting with MRDI officials

The meeting with Management and Resources Development Initiative (MRDI) officials was held on 22 June 2006 at CPD. Executive Director Hasibur Rahman and Project Coordinator Sajjad Hossain of MRDI and Senior Research Fellows Uttam Kumar Deb and Fahmida Khatun, Head of Dialogue and Communications Fatema Yousuf, and Senior Research Associates Kazi Mahmudur Rahman and Syed Saifuddin Hossain of CPD were present at the meeting. MRDI is partnering with CPD in implementing its programme to impart training to economic journalists on trade related issues. The meeting discussed the outline of the modules to be developed for both Foundation and Advanced Trainings for the economic journalists on WTO and Bangladesh Trade Policy. Decisions were also taken as regards identification and finalization of resource persons for conducting training.



Distinguished personalities/delegations visiting CPD

Few snapshots



● A 27 member delegation from various Departments and Ministries of His Majesty's Government of Nepal visited CPD on Sunday 02 April 2006.



● CPD received members of the Children Parliament on 23 May 2006.



● CPD Executive Director Debapriya Bhattacharya is seen presenting CPD crest to the visiting Nepalese delegation.



● Departing Japanese ambassador Mr. Masayuki Inoue visited CPD on 22 June 2006. The meeting evolved around a discussion on political practices in Bangladesh as opposed to practices in Japan.



● EU Embassy officials including H E Stefan Frowein, Jenni Christensen and Charles Whitely paid a courtesy visit to CPD on 23 May 2006.

- CPD welcomed a group of Swedish delegates on 06 April 2006. The discussion centered on recent trends in Bangladeshi economy and the political dynamics of the country.
- A Canadian delegation visited CPD on 04 April 2006. Mr. Micheal Gort, Lead Specialist of Asia branch and Ms Mauri Milloff, First Secretary and Deputy Head of Aid were guest speakers at the meeting.
- CPD hosted a meeting with a team of Japanese delegates on 06 April 06.
- CPD welcomed a team of SIDA delegates on 23 April 2006. The team's task was to prepare a country strategy programme for Bangladesh. CPD briefed the team on the state of Bangladesh Economy, PRSP: its process and implementability and overall Governance situation. At the meeting Uttam Kumar Deb, Khushi Kabir, Abdul Muyeed Chowdhury, Quazi Mesbahuddin Ahmed, M Syeduzzaman and M Syeed Ahamed presented papers covering issues mentioned above. CPD Chairman Professor Rehman Sobhan also addressed the delegates.



CPD professionals overseas

Professor Rehman Sobhan
Chairman, CPD

- Visited the Columbia University, New York, USA as a Research Fellow during 16 May-01 June 2006.
- Attended the Meeting of 'Wiseman' on West and South Asia held 03 May-04 May 2006 in Ankara, Turkey.

Debapriya Bhattacharya
Executive Director, CPD

- Attended a seminar titled WTO and South Asia: Strategizing beyond Hong Kong during 21 April- 22 April 2006 in New Delhi, India. The seminar was jointly organized by CENTAD and Asia-Pacific Trade and Investment Initiative, UNDP Regional Centre, Colombo.
- Visited the University of Hong Kong on 27 June 2006 as a resource person for the WTO Regional Trade Policy Course.
- Took part in the Regional Meeting on South Asia and WTO Doha Round Negotiations organized by South Asia Watch on Trade, Economics & Environment (SAWTEE) with the support of Oxfam, Novib.
- Attended a workshop on Development Finance Architecture: What flows, Channels and Pools? held during 3-4 July 2006. The workshop was arranged by Organization for Economic cooperation and Development (OECD) in Paris, France.

Uttam Kumar Deb
Senior Research Fellow

- Participated at the Salzburg Seminar Session 431, "Completing the Doha Round: Bridging the Agricultural Divide" held at Salzburg, Austria during April 30 to May 5, 2006.

Fahmida Khatun
Senior Research Fellow

- Presented a paper on Preference Erosion and LDCs at a seminar jointly organized by the Centre for Trade and Development (Centad) and the Asia-Pacific Trade and Investment Initiative, UNDP Regional Centre during 21-22 April 2006 in New Delhi, India.
- Presented a paper on South Asia in the WTO, organized by the Institute of Policy Studies (IPS) and the Friedrich-Ebert-Stiftung (FES) in Colombo during 18-19 May 2006.

Syed Saifuddin Hossain
Senior Research Associate

- Presented a paper on Trade Facilitation Needs Assessment: Perspective of the Civil Society at a Regional Consultation Meeting held in Kolkata, India on 17 June 2006. The event was jointly organized by CUTS-CITEE, India and UNDP, Colombo.

Asif Anwar and Narayan Chandra Das
Research Associates

- The two CPD Research Associates are currently in Canada to participate in the six-week long (May 29-July 07, 2006) Certificate Program in Trade Policy and Commercial Diplomacy. The course is organized by the Centre for Trade Policy and Law (CTPL), University of Carleton, Ottawa.

Towfiqul Islam Khan and Md. Ashiq Iqbal
Programme Associates

- Participated in WTO/ESCAP Second ARTNeT Capacity Building Workshop on Trade Research held on 17 April- 21 April 2006, Bangkok, Thailand. The workshop was organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

Research division reports

Business Competitiveness Environment in Bangladesh

CPD has prepared a research report on Business Competitiveness Environment in Bangladesh: Problems, Challenges and Opportunities. The report was prepared on the basis of the findings of CPD's perception surveys covering leading entrepreneurs of Bangladesh over the last five years since 2001. These surveys were carried out as part of collaboration with the World Economic Forum (WEF). The survey encompasses some of the key concerns of the business sector of Bangladesh covering such areas as government and public sector, efficacy of public institutions, technology, infrastructure, human resources, financial development, domestic competition, company operations and environmental and social responsibility. Led by the CPD Executive Director Debapriya Bhattacharya the team comprises of Research Fellow K G Moazzem, and Senior Research Associates Kazi Mahmudur Rahman and Syed Saifuddin Hossain.

CPD Study on Restructuring the Apparel Sector in view of MFA Phase Out: Addressing Macro, Sectoral and Enterprise Level Issues

CPD has launched a study to trace important changes in export-oriented clothing and textile sector of Bangladesh following the phase out of the Multi Fiber Agreement. The study is aimed at analysing the restructuring of the RMG sector in the current context. In particular, the study will examine investment trend and technological capability, production process, cost structure, employment composition, capital and labour productivity, profitability, marketing linkages and compliance situation. At present the survey at the enterprise level is being carried out. The study aims to present a set of policy recommendations to enhance the competitiveness of the export-oriented sector of the country.

Study on DF-QF Market Access for South Asian LDCs

CPD has initiated a study titled Duty-free Quota-free Market Access for South Asian LDCs in collaboration with the Centre for Trade and Development (Centad), India. The study focuses on some key issues related to the DF-QF market access for South Asian LDCs which include Bangladesh, Bhutan, Maldives and Nepal. The study takes an in-depth look at the DF-QF initiative of the Hong Kong Ministerial of the WTO (Annex F) and analyses the possible impacts of the DF-QF initiative on the SA LDCs in the context of the ongoing negotiations in the WTO, particularly in view of erosion of preferences. This study is being conducted by CPD Senior Research Fellow Fahmida Khatun.

Regional Cooperation for Agricultural Development in South Asia

A study on Regional Cooperation for Agricultural Development in South Asia has been completed by Uttam Kumar Deb. The study reviewed the performance of South Asian agriculture during the last two decades, documented the commitments as well as existing level of cooperation in agriculture among South Asian countries and identified the potential areas for further cooperation and challenges in agricultural development in South Asia. The study also reviewed the ASEAN experience particularly evolution of their plans, programmes and implementation mechanism for agricultural development in south-east Asia. Based on the analysis, the study has come up with possible strategies for developing agricultural sector in South Asia in a manner that could build on cooperation, coordination and complementarities. The suggested strategy has delineated five major areas for strengthening regional cooperation in South Asia. These are related to agricultural research and technology development, technology exchange, capacity building, harmonisation of policies and Acts and Participation in WTO negotiations in agriculture.



Publications

Publication with UPL

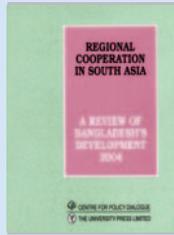
Regional Cooperation in South Asia: A Review of Bangladesh's Development 2004

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The present volume titled Regional Cooperation in South Asia: A Review of Bangladesh's Development 2004 is the ninth publication under the Independent Review of Bangladesh's Development (IRBD) initiative of the Centre for Policy Dialogue (CPD).

Part A of IRBD2004 provides an in-depth analysis of the state of the Bangladesh economy in FY2004 by examining the dynamics of key macroeconomic indicators including growth rate, poverty situation, investment, inflation, fiscal and monetary balances, exchange rate movements and foreign exchange reserves. An analysis of the early signals emanating from macroeconomic performance during the first few months of FY2005 is also presented in this part of the IRBD. Part A also provides an assessment of the Bangladesh Development Forum (BDF) held in Dhaka in 2004, focusing on sectoral issues, reforms, governance and the PRSP in the context of Bangladesh's evolving aid relationship. This section also makes an assessment of the national budget for FY2005.

The thematic Part B of IRBD2004 has identified 'Regional Cooperation' as the main strategic policy issue in view of its emerging importance and in the context of the recent initiative to establish a free trade area encompassing the SAARC countries. The nine chapters included in Part B of IRBD2004 undertake an assessment of the policies and progress and examine possible challenges and benefits originating from regional cooperation in such areas as agriculture, inter-industry trade, sustainable energy use, integrated transport network, and investment. Potential avenues for strengthening further cooperation in each of these identified areas are explored in the respective chapters of Part B of the IRBD2004.

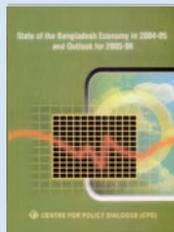


CPD publication

State of the Bangladesh Economy in 2004-05 and Outlook for 2005-06

CPD, under its flagship research programme, Independent Review of Bangladesh's Development (IRBD), has published the "State of the Bangladesh Economy in 2004-05 and Outlook for 2005-06" in May 2006. CPD has published the macroeconomic analysis component of the IRBD 2005 as a separate volume; the thematic part of IRBD 2005 will be published subsequently as a second volume.

The Macro Volume of IRBD 2005 presents trends and dynamics of the macroeconomic variables in Bangladesh during the FY2005. It includes an in-depth analysis of some key determinants of the Bangladesh economy [including] such as growth, income and poverty, savings and investment, fiscal and monetary policies, resource allocations and their distributive implications, dynamics of the real economy and behaviour of the external sector. An analysis of the national budget for FY06 and an evaluation of the proposed fiscal measures and resource allocation are also presented in the book. In addition, two chapters of the book are devoted to the final assessment of the damage resulting from the devastating floods of 2004, and challenges confronting the export-oriented garments sector of the country consequent to the phasing-out of MFA. The volume also contains two Annexes. The first presents a discussion on CPD's state



of the economy report and budget reactions at the national dialogue held on 19 June 2005. The second records chronology of major macroeconomic events in FY05.

CPD researchers' publications

Debapriya Bhattacharya and Syed Saifuddin Hossain (2006): *An Evaluation of the Need and Cost of Selected Trade Facilitation Measures in Bangladesh: Implications for the WTO Negotiations on Trade Facilitation*; Asia-Pacific Research and Training Network on Trade (ARTNeT) Working Paper Series, No. 9 (April); UNESCAP.

Uttam Kumar Deb (2006): *Rules of Origin and Non-tariff Barriers in Agricultural Trade: Perspectives from Bangladesh and Cambodia*; Asia-Pacific Research and Training Network on Trade (ARTNeT) Working Paper Series, No. 12 (April), UNESCAP.

Mustafizur Rahman and Kazi Mahmudur Rahman (2006): *Proposed Changes to WTO Special and Differential Treatment Provisions: An Analysis from the Perspective of Asian LDCs*; Asia-Pacific Research and Training Network on Trade (ARTNeT) Working Paper Series, No. 13 (April); UNESCAP.

Bhattacharya, Debapriya, Mustafizur Rahman, Uttam Deb, Fahmida Khatun (2006). 'Hong Kong Declaration of the WTO: Reflections on the Outcomes from Bangladesh Perspective'. *The Cost and Management*. 34 (2): 68-83; March-April 2006.

Occasional paper

Business Competitiveness Environment in Bangladesh (2005): Domestic Perspective and Global Comparison; Paper 59 (May)

The paper was prepared by Debapriya Bhattacharya, Khondaker Golam Moazzem, Kazi Mahmudur Rahman and Syed Saifuddin Hossain under CPD's programme on Investment Promotion and Enterprise Development. The paper analyses business competitiveness situation in Bangladesh by evaluating the major growth impeding factors. The paper also presents a comparative analysis of the changes in growth and business competitiveness between Bangladesh and a set of selected countries in the year 2005. The study presents a set of policy recommendations to improve economic governance in the country by addressing factors that undermines business competitiveness.

The Hong Kong Declaration and Agriculture: Implications for Bangladesh; Paper 60 (May)

This paper has been prepared by Uttam Kumar Deb and Narayan Chandra Das under CPD's programme on Trade Related Research and Policy Development (TRRPD). This paper reviews the developments in WTO negotiation on agriculture in the light of the Hong Kong Ministerial Declaration. It has critically analyzed the decisions and negotiating proposals adopted through the Declaration. The paper has also analyzed possible impacts of the adopted decisions and proposals for Bangladesh's agriculture sector and its economy. Potential impacts are measured in terms of reduction in tariff, domestic support and export subsidy. More importantly, the paper has quantified potential impacts of agricultural trade liberalization under Doha Round negotiations on prices and welfare gains, production, consumption and trade of agricultural commodities in Bangladesh. Based on the research findings, the paper has suggested some negotiating strategies for Bangladesh to be pursued in the on-going WTO negotiations on agriculture.

Newspaper articles

CPD Published an article titled *2005-06 A'eQ ii evsjv 'ki A'bmZ : imicw-i ch'v jvPbv* (budget analysis in Bengali) in the *Prothom Alo* on June 7 and 8, 2006. The article was a summary of the State of the Bangladesh Economy in 2005-06 report.

CPD Published an article titled *An Analysis of the National Budget for FY2006-07* by CPD in *The Daily Star* on 24-25 June 2006.

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