



July - September 2010  
Vol IX Issue 3

# CPD

Centre for  
Policy  
Dialogue  
Bangladesh

## Quarterly

### FROM the editor's desk

The July-September quarter of 2010 was quite eventful from the perspective of the industrial sector of Bangladesh. A number of policies and acts related to the sector were approved in this period, while a number of others were in the process of finalisation. On 6 September 2010, the cabinet approved the *Industrial Policy 2010*. The Policy has several distinctive features: definition of industries has been broadened along with inclusion of a new category of enterprises (i.e. micro enterprises); the list of thrust sector industries was reduced; and compliance with environmental standard and women entrepreneurship have been given emphasis. Rejuvenation of public sector enterprises and a moratorium on privatisation of public sector enterprises needs to be seen as a major policy shift of the government. In view of the significant fiscal burden originating from loss-making public sector manufacturing enterprises, six specific criteria have been stipulated in the Policy for the purpose of providing support to these enterprises. These criteria should be strictly followed.

The draft *Competition Law* is at the final stage and expected to be approved by the cabinet soon. The most important tasks of the proposed *Competition Commission* will be to investigate various anti-competitive practices in different sectors of the economy. Given the lack of availability of authenticated real time data, inherent complexities of the law and also for political pressures it would perhaps not be easy for the Commission to prove anti-competitive practices and to enforce orders. However, this should not be an excuse to not put in the due effort to attain the objectives.

The bill passed in the national parliament on the mandatory use of jute in packaging of various commodities ought to be considered as a major breakthrough for the jute manufacturing sector of Bangladesh. CPD has been urging for implementation of such a bill for a long time. The government may consider setting up a separate independent body (e.g. Jute Board) to monitor the implementation of the bill.

On 29 July 2010, the new minimum wage for RMG workers was announced by the Ministry of Labour and Employment with an upward revision of the minimum wage of 2006 by about 67 per cent to 87 per cent. However, the minimum wage which has been fixed for grade seven workers (Tk. 3,000) was significantly lower than what was demanded by the workers (Tk. 5,000). Consequently, there was widespread agitation in major industrial clusters. It is hoped that steps will be taken towards full implementation of the new wage structure and that there will be regular revisions in the future, so that workers' justified demands can be met.



Fahmida Khatun is making the presentation. (From left) Shaikh S Ahmed, Rehman Sobhan, Sayedul Haque, Mustafizur Rahman and Saiful Huq are also seen

## Ensure Transparency and Accountability in SSN Programmes

### Stresses CPD Dialogue

The need to ensure transparency and accountability in the beneficiary selection under the safety net programmes was stressed by *Dr Fahmida Khatun*, Additional Director and Head of Research, CPD while presenting the keynote paper at a CPD dialogue on *Employment Generation for the Hardcore Poor and National Service: Challenges of Effective Implementation*. The Dialogue was held on 2 September 2010, at the BRAC Centre Inn Auditorium, Dhaka. *Professor Rehman Sobhan*, Chairman, CPD chaired the dialogue while *Mr Mohammad Sayedul Haque*, MP and Chairman, Parliamentary Standing Committee on Ministry of Food and Disaster Management was present as the Guest of Honour.

The presentation was based on a CPD study which was undertaken to review the design and implementation, and to assess the impacts of the two employment generation programmes under the social safety net programmes (SSNPs) of the government.

*Dr Khatun* mentioned that the initiation of Employment Generation for the Hardcore Poor (EGHP) was a commendable step towards reducing poverty by providing employment to the poorest section of the society who were vulnerable due to high inflationary pressure and consequent price hike, and

seasonal unemployment. The 100-DEGP, initiated earlier, had almost similar objectives, except for the intolerable price hike being the key consideration which prevailed during FY2007-08.

While conducting the study, CPD tried to make a comparison of the 100-DEGP and EGHP in terms of target area, beneficiary selection process, timeframe, wage and payment, and cost of administration. The study was based on a field survey conducted in 24 areas of 4 districts in Bangladesh. It was found that in some areas it was difficult to find labourers as the market wage rate was higher. Some cases of irregularities in terms of political influence and nepotism behaviour were observed. *Dr Khatun* noted that project selection and designing was top down with limited consultation with the local authorities. The CPD feels that EGHP should initially focus on highly poverty-stricken regions using poverty maps. Piloting can be very useful before expanding the programme nationwide, because once implemented throughout the country, it will be challenging to narrow down the coverage area, suggested the CPD report. It also proposed that the EGHP programme should have different timeframe for different areas based on seasonal and agricultural pattern.

(Continued on page 2)

## Bangladesh Slipped One Position this Year

Says GCR 2010-11 Released by CPD

Bangladesh's rank came down by one position in the Global Competitiveness Index (GCI) from 106th position to 107th in 2010, the Global Competitiveness Report 2010-2011 of the World Economic Forum (WEF) revealed. The Global Competitiveness Report (GCR) is an annual publication of the WEF, popularly known as the Davos Forum. The CPD, as a partner organisation of the WEF conducts the *Executive Opinion Survey* every year; this year's being the 10th in this series. *Dr Khondaker Golam Moazzem*, Senior Research Fellow, CPD



*Khondaker Golam Moazzem is briefing the media while (from left) Fahmida Khatun, Mustafizur Rahman and Masudur Rahman are paying attention*

briefed the print and electronic media on "Global Competitiveness Report 2010-11 and Bangladesh Business Environment Study 2010" in a press briefing organised by CPD at its Dialogue Room on 16 September 2010. This year, a total of 139 countries have been assessed, whereas it was 133 in 2009. The survey ranks countries (including Bangladesh) according to the business competitiveness environment based on information from the National Perception Survey with regard to various contemporary issues of concern.

According to the survey, the major deterrent factor for this declined position is inadequate supply of infrastructure in 2009. Around 80 per cent of the entrepreneurs were less confident regarding government's measures to increase the supply of electricity and gas in 2010, as the initiatives were considered to be inadequate. Inefficient government bureaucracy is the second most important factor, and it is becoming a major hindrance for the growth of business and investment. Corruption slipped to third with position from last year's second position, undocumented payment or bribes by the firms to the public servants for awarding of public contracts still widely prevalent.

Perception has been improved for some factors such as access to financing, government stability, crime and theft, tax rates and public health. On the other hand, perception has declined for some other factors

by 2.5 per cent. Score in basic requirement was increased by 3 per cent, efficiency enhancers increased by 2.3 per cent, and innovation and sophistication increased by 0.3 per cent. Highest score was obtained in health and primary education (10.5 per cent).

Through CPD's Rapid Perception Survey, more than 50 per cent businessmen opined that Bangladesh's trade and investment with India will be accelerated in view of recent initiatives undertaken by both the governments. The report also said that most of the businessmen were concerned about the impact of inflation on cost of production. Lending rates of banks are still considered to be high, which affect business adversely. Employment in the surveyed factories was not adversely affected even in the period of the global financial crisis, and surprisingly, 63 per cent businessmen opined that employment has increased in their factories this year.

All the South Asian countries except Sri Lanka have failed to retain their last year's positions. Of them, Pakistan has dropped by 22 positions, India dropped by 2 positions, while Sri Lanka jumped up by 17 steps. *Professor Mustafizur Rahman*, Executive Director; *Dr Fahmida Khatun*, Head of Research; *Dr Masudur Rahman*, Research Fellow; and *Dr Nazrul Islam*, Research Fellow of CPD were also present during the briefing session.

## Ensure Transparency

(from page 1)

While discussing the National Service, *Dr Khatun* informed that the GoB started the programme in FY2009-10 to develop particular group of educated but unemployed people as a productive workforce through training and temporary employment. The CPD study observed that there is a lack of proper training facility which needs to be well emphasised to maximise the benefits of the programme. Additionally, the National Service programme does not provide any guarantee for permanent employment. The CPD recommended that given the huge expenditure required for this programme, the government can tag it with the private sector, where students could be appointed as apprentices for a certain period by the entrepreneurs.

*Mr Saiful Huq*, General Secretary, Workers Party of Bangladesh and a Designated Discussant said, "formulation of an Employment Guarantee Scheme is our three decade-long demand to the government. The implementation of the SSNPs in Bangladesh may have some impact on the micro economy, but these do not have any impact on the macro economy of the

country." He suggested that government should match the national annual budget with the Medium Term Budgetary Framework, and ensure transparency in the monitoring and information system for effective implementation of the EGHP programme.

On the issue of corruption in the wage payment process of the EGHP programme, *Mr Shaikh S Ahmed*, Social Protection Economist of the World Bank, also a Designated Discussant, suggested that since 95 per cent unions have the banking facility, wage payment can be made through these banks. He also noted that in such cases it will be easier for the beneficiaries to use the mobile phone banking system. However, *Dr Shapan Adnan*, Professor of the Singapore National University, disagreed with him and said "there is no guarantee that if the money/wage is transferred through bank, it will not be mismanaged, rather it will create an extra hassle for the beneficiaries as the banking sector is also not free from corruption."

Speaking as the Guest of Honour *Mr Sayedul Haque*, MP, informed the dialogue that the government has attached utmost importance to the food security, to ensure sustainable development. Regarding the

continuation of the SSNPs, initiated by the present government, he assured that as long as this government is in power, "there would be no break in the funding of this programme." The lawmaker, however, acknowledged the presence of political influence in the selection process of the beneficiaries and termed the card distribution process as "problematic." He asked all stakeholders to help the government formulate a strategy to select the poorest communities and an effective payment disbursement method.

One of the beneficiaries of EGHP, *Ms Selina Begum* from Nilphamari was present at the dialogue. She expressed her dissatisfaction about the SSNPs of the government by saying that she was not sure whether the programme is for the welfare of the rich or for the poor. "We have to pay bribe to the local politicians to be enrolled in the work, otherwise we do not get the job. We want money for work, not harassment," she said.

While concluding the session *Professor Rehman Sobhan*, Chairman of CPD stressed the need for a comprehensive national policy to eradicate poverty, and urged the government to make an Employment Guarantee Act in order to find a sustainable solution, besides running the SSNPs.



## Dr Koichi Fujita of Kyoto University Speaks at CPD In-house Dialogue

An in-house dialogue on *Transformation of the Role of Land Tenancy and Mortgage Market and its Implications in Bangladesh: Comparative Perspective with the 'Peasant Society' in East Asia and Japan* was held at the Dialogue Room of CPD on 3 August 2010. Dr Koichi Fujita, Professor, Center for Southeast Asian Studies (CSEAS), Kyoto University, Japan presented the keynote paper while Professor Mustafizur Rahman, Executive Director, CPD moderated the session.



Koichi Fujita is seen making the presentation

Professor Rehman Sobhan, Chairman, CPD; Dr Shapan Adnan, Professor of the National University, Singapore, and CPD researchers took part in the discussion.

Dr Fujita highlighted the salient features of the agrarian structure of Bangladesh as he had observed during his field visit in Bangladesh several years back. He juxtaposed this to the "peasant society" in East Asia, particularly Japan. Evolved in pre-modern era in 17th century, the peasant society in Japan was characterised by skewed distribution of land ownership. Despite this, land was redistributed to landless small farmers through tenancy and mortgage markets. Thus, there were only small to medium-sized farmers/peasants, and they used only family labour for farm management. Such peasant society developed a culture of very hard work which resulted in increased land productivity, cropping intensity and development of off-season non-farm activities. The agrarian structure of Bangladesh, on the other hand, shows dominance of medium-sized owner-cum-tenant farmers with very rare prevalence of pure tenant farmers who depended mostly on hired labour. A negative relationship between agrarian structure and agricultural intensification such as

irrigation and cropping intensity was observed in Bangladesh.

Dr Fujita concluded by saying that although evidence indicates that recent changes of Bangladesh's agrarian structure is gradually transforming from hired labour-based mode of production to family labour-based mode one, because of agricultural mechanisation, Bangladesh's agrarian society remains very different from that of Japan.

According to Professor Adnan, there is a lease market prevailing in Bangladesh which redistributes land from ownership to operational groups, but this is now being taken over by the mortgage market. He opined that it is not the kinship relationship, but the rules of games through which the systems operate.

Dr Uttam Deb, Head of Research, CPD expressed his concern that there are risks associated with transformation of the system towards tenancy in Bangladesh. Dr Fujita, however, suggested that this problem could be solved by conversion of the system from sharecropping to lease holding, followed by reduction in the rent of the lease holdings. In conclusion, Professor Rehman Sobhan remarked that there is a need to raise the issue of agrarian reform by giving small farmers their ownership rights in the process of value addition. In responding to queries from the floor, Dr Fujita observed that the tenancy system of Japan cannot be replicated in Bangladesh context in absence of a credible partnership between landowners and tenants. He opined that big NGOs in the country are capable of building farmers' cooperatives, an initiative, if undertaken, would be beneficial to the farmers.

## Brainstorming Session with Parliamentarians

The CPD organised a brainstorming session with the Members of Parliament (MPs), experts and distinguished civil society representatives at the CPD Dialogue Room, on 20 September 2010. The session discussed two studies titled *Parliament of Bangladesh: Accountability and Control*; and *Political Parties in Bangladesh*, which are being carried out at the CPD as part of a collaborative research programme being implemented by CPD jointly with Chr. Mchelsen Institute (CMI), Norway. The session was moderated by Professor Rehman Sobhan, Chairman of CPD while Professor Rounaq Jahan, Distinguished Fellow, CPD led the discussion. Mr Suranjit Sengupta, MP from the Bangladesh Awami League; Mr Hasanul Haq Inu, MP and President of the Jatiya Samajtantrik Dal; Barrister Anisul Islam Mahmud, MP from the Jatiya Party; Barrister Andaleev Rahman, MP and Chairman, Bangladesh Jatiya Party (BJP); Professor Imtiaz Ahmed, University of Dhaka; Professor MM Akash,



Rehman Sobhan, Mustafizur Rahman, Rounaq Jahan and national parliament members are seen in the brainstorming session

University of Dhaka; Dr Badiul Alam Majumder, Member Secretary, SUJAN; and Dr Mirza M Hassan, BRAC University participated in the discussion. The study team member representing CMI from Norway, Mr Inge Amundsen, Senior Researcher was present at the discussion. Professor Mustafizur Rahman, Executive Director and Dr Khondaker Golam Moazzem, Senior Research Fellow of CPD were present at the session, along with other senior researchers.

The objective of the brainstorming session was to identify priority issues which should be addressed in the two studies. The CPD-CMI study would look into the structure of political parties in Bangladesh in terms of their decision making process, and how it impacts on parliamentary politics. The studies would be essentially academic exercises where CPD's experience of organising dialogues would also be deployed to draw suggestions to promote good governance in the country.

## China Institutes of Contemporary International Relations (CICIR) Officials' Visit to CPD



CICIR officials Mr Li Shaoxian, Vice President; Mr Hu Shisheng, Deputy Director; Dr Li Li, Associate Research Fellow, and Mr Lou Chunhao, Assistant Research Professor of the Institute of South and Southeast Asian Studies, CICIR visited CPD on 25 July 2010. Professor Mustafizur Rahman, Executive Director, and senior officials of CPD were present at the meeting with the CICIR officials. They had a discussion on Bangladesh-China economic relations including trade export opportunities, preferential treatment of exports of Bangladeshi products to China, and Chinese investment opportunities in Bangladesh.



### An In-house Seminar Held as Part of CPD's YSSS Programme

Under CPD's Young Scholars Seminar Series (YSSS) programme, Mr Mazbahul Golam Ahamad, Research Associate, CPD made a presentation titled *Climate Risks, Seasonal Food Insecurity and Consumption Coping Strategies: Evidences from a Micro-level Study from Northern Bangladesh*, on 25 July 2010. Based on a survey conducted in the northern region of Bangladesh, he discussed seasonal unemployment problem due to climate risk factors such as flood, the consequent food insecurity, and tried to explore the consumption coping strategies of the affected households.

The study recommended that short-term measures like food aid and employment generation programmes under social safety net in early September would increase the resilience of the food-vulnerable people. Medium-term measures of the government should include increasing buffer stock of foodgrains at the upazila level, ensuring convenient supply chain management and equitable allocation of sufficient food. Mr Ahamad also suggested a long-term plan for the government to develop alternative sources of employment for the affected people, such as agro-based labour-intensive industrialisation. All CPD researchers were present at the session.



### CPD Visited by Chinese Delegation

A three-member Chinese Delegation which included Mr Jin Cheng, Deputy Director-General, Foreign Affairs Office of the People's Government of Yunnan Province; Mr Lei Zhuning, Associate Research Fellow, Academy of Social Science of Yunnan Province; Ms Yang Xiaoyu, Staff Member, Foreign Affairs Office of the People's Government of Yunnan Province, visited CPD on 14 September 2010. They met senior CPD officials and discussed the content and draft programme of the upcoming ninth Bangladesh, China, India, Myanmar (BCIM) Forum to be held in Kunming and the measures to be taken for preparation of the BCIM Car Rally. CPD is the Bangladesh focal point for the BCIM Forum. The BCIM Forum is a civil society initiative to foster closer cooperation among the four countries. The meeting also discussed the implementation status of the issues raised in the eighth Forum held in Myanmar in 2008.



### Students from Economic Study Centre Visits CPD

14 students from the Economic Study Centre, a student group of the Department of Economics, University of Dhaka visited the CPD on 22 July 2010. Professor Mustafizur Rahman, Executive Director, CPD, briefed the students on the CPD's dialogue and research activities. Opportunities of young students of economics to be benefitted from the CPD activities were also discussed.



### CPD's 34th Board of Trustees Meeting Held



The 34th meeting of the Board of Trustees (BoT) of the Centre for Policy Dialogue (CPD) was held at the CPD Dialogue Room on Tuesday 28 September 2010. The Board reviewed CPD's research, publication and dialogue activities at national, regional, and international levels during the period of February 2010 – September 2010. The Board expressed satisfaction over the performance of the CPD during this period. The CPD BoT also approved CPD's half yearly accounts for the year 2010 and the revised budget for the year 2010. The Board held discussion on planned activities of the CPD for the next quarter including an International Dialogue CPD is planning to organise in view of the forthcoming UN LDC IV Conference to be held in Istanbul in June 2011.

Presided over by Professor Rehman Sobhan, Chairman of CPD, the BoT meeting was attended by CPD Trustees Ms Khushi Kabir, Coordinator, Nijera Kori; Mr Nurul Haq, Former Member, Planning Commission; Mr M Syeduzzaman, Former Finance Minister; Dr Anisuzzaman, Professor Emeritus, University of Dhaka; Ms Laila Rahman Kabir, Former President of MCCI and Managing Director, Kedarpur Tea Company Ltd. and Professor Mustafizur Rahman, Executive Director, CPD and Member Secretary of the CPD Board. Ms Anisatul Fatema Yousuf, Director, Dialogue and Communication Division, CPD attended the meeting on invitation.



## CPD Professionals in International Fora



### **Rehman Sobhan**, Chairman

- Attended the ASEM Public Conference on "Europe-Asia Inter-Regional Relations," organised by the European Commission, on 11-13 July 2010, in Brussels, Belgium.
- Attended a High Level Multilogue on "Envisioning and Strategising for a Just, Peaceful and Democratic South Asia," organised by South Asians for Human Rights (SAHR), on 13-15 September 2010, in New Delhi, India.
- Attended an International Conference on "SAARC @ 25," organised by the India International Centre (IIC) and Research and Information System for Developing Countries (RIS), on 16-17 September 2010, in New Delhi, India.

### **Mustafizur Rahman**, Executive Director

- Made a presentation on *Fiscal Reforms in Bangladesh: Evolution and Future Initiatives*, at the workshop on "Collective Research on South Asia Tax Systems," organised by the Governance Institute Network International (GINI), on 8-9 August 2010, in Singapore.
- Made a presentation on *Trade-Related Survey for LDCs: Experience from Pilot Survey*, at the Peer Review Workshop on "Trade-Related Survey for LDCs," organised by UNDESA, on 11-12 August 2010, in Geneva, Switzerland.

### **Anisatul Fatema Yousuf**, Director, Dialogue and Communication

- Participated in the "WTO Public Forum 2010," organised by the WTO, on 15-17 September 2010, in Geneva, Switzerland.

### **Fahmida Khatun**, Additional Director and Head of Research

- Made a presentation on *Environmental Vulnerability of the LDCs*, at the brainstorming meeting on the "Substantive preparations for UN LDC IV," organised by the UNOHRLLS, on 15 July 2010, in New York, USA.
- Participated as a Discussant in the brainstorming session on the report on *UN Least Developed Countries Conference: LDCs' Trade and Development Challenges*, organised by IDEAS Centre, on 13 September 2010, in Geneva, Switzerland.

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

- Participated in a workshop on "Modelling the Micro Impacts of Macroeconomic Shocks and Policies," jointly organised by the Poverty and Economic Policy Research Network (PEP) and the Financial and Fiscal Commission (FFC), on 9-20 August 2010, in South Africa.

### **Masudur Rahman**, Research Fellow

- Attended the "Third South Asian Training Programme on CGE Modeling," jointly organised by SAWTEE (Kathmandu) and SANEM (Dhaka), on 2-6 August 2010, in Kathmandu, Nepal.
- Participated in a training on "Trade Policy," organised by the University of Sussex, on 20-24 September 2010, in UK.

### **AKM Nazrul Islam**, Research Fellow

- Attended the "Third South Asian Training Programme on CGE Modeling," jointly organised by SAWTEE (Kathmandu) and SANEM (Dhaka), on 2-6 August 2010, in Kathmandu, Nepal.

### **Towfiqul Islam Khan**, Senior Research Associate

- Participated in a workshop on "Modelling the Micro Impacts of Macroeconomic Shocks and Policies," jointly organised by the Poverty and Economic Policy Research Network (PEP) and the Financial and Fiscal Commission (FFC), on 9-20 August 2010, in South Africa.

### **Md Tariqur Rahman, Muhammad Al Amin**, Senior Research Associates and **Kishore Kumer Basak**, Research Associate

- Participated in the "ARTNeT Capacity Building Workshop for Trade Research: Gravity Modeling," organised by the ARTNet, on 23-27 August 2010, in Bogor, Indonesia.

### **Ishita Ahmed and Kaniz Tasnima**, Research Associates

- Participated in a workshop on "Trade and Gender Linkages," jointly organised by ARTNeT and UNDP, on 15-17 September 2010, in Bangkok, Thailand.

### **Homaera Bilkis Laizu**, Dialogue Associate

- Participated as a Climate Champion at the regional workshop on "Creating a Sustainable Network of Climate Change Champions," jointly organised by the British Council and International Centre for Integrated Mountain Development (ICIMOD), on 19-25 September 2010, in Godavari, Nepal.

## CPD Staff News



- **Dr Uttam Deb**, Additional Director, will be on leave from CPD for the period of 22 August 2010 to 21 August 2013.
- **Dr Fahmida Khatun**, Additional Director, will be acting as the Head of Research effective from 1 September 2010.
- **Ms Sharmin Chowdhury**, Research Associate, has received the Erasmus Mundus Awards to pursue a European Masters Course in Transnational Trade Law and Finance (EMTTLF) at the University of Deusto, Spain; Tilburg University, Netherlands; and University of Frankfurt, Germany. She will be on Study Leave from 15 September 2010 to 14 September 2012.
- **Ms Homaera Bilkis Laizu** has joined CPD on 4 July 2010 as Dialogue Associate.



## CPD Research Division Report

### Employment Generation for the Hard Core Poor and National Service: Challenges of Effective Implementation

This study examines two of the important social safety net programmes (SSNPs) in Bangladesh recently undertaken by the government, namely Employment Generation Programme for the Hard Core Poor (EGHP) and the National Service National Service. The specific objectives of the study are to review the design and implementation mechanism of the EGHP and National Service and to assess the impacts of these two programmes. In doing so, a comparative analysis between these presently implemented programmes and the previous 100-Day Employment Generation Programme (100-DEGP) in Bangladesh and similar programmes in other countries is also examined to draw lessons. Finally the study suggests some concrete policy recommendations for the fine tuning of the programmes and enhancing their effective implementation during the upcoming phases.

Field level investigation was conducted in Nilphamari, Jamalpur, Kurigram and Chittagong districts of Bangladesh during April 2010 under this study. It examined the goals, coverage, allocation, targeting methods, selection process of beneficiaries and projects, associated costs including wage and payment of beneficiaries, non-wage and administrative costs, and finally the sustainability of these programmes.

The study recommends that given the poverty and inequity situation in Bangladesh, these two employment generation programmes have excellent potentials to reduce the vulnerability among the unemployed section of the society, and improve socioeconomic condition of the country. In this regard, the authors suggest that the long-term success of these programmes will hinge on three fundamental aspects: (i) mainstreaming of these programmes with socioeconomic development plan; (ii) ensuring efficacy of implementation through enhanced monitoring capacity and (iii) formulation of medium to long-term plan for such programmes. A dialogue was organised by CPD to present the preliminary findings of the study. The study team members are *Fahmida Khatun*, Head of Research; *Towfiqul Islam Khan*, Senior Research Associate and *Ashiqun Nabi*, Research Associate of CPD.

### Services Trade Liberalisation: A Gender Impact Assessment Study for the Mobile Telecom Services in Bangladesh

This study, currently ongoing, will examine the state of the services trade liberalisation in Bangladesh, with a focus on the mobile telecommunication sector which has been liberalised under the WTO-GATS regime. Among such few sectors in the country, mobile telecommunication is one of the fastest growing sectors which have contributed to the GDP of the country by creating opportunities for employment and income for a large number of people. The study is designed to analyse this role, particularly for women, and whether there is any gender bias in this sector in terms of selection for jobs, promotion and income. The study will be based on both primary and secondary information, and is expected to be completed by October 2010. *Nusrat Jahan*, Research Associate of CPD is conducting the research.

### Trade Liberalisation and the Growth of Transport Services in Bangladesh: An Environmental Impact Assessment Study for Dhaka City

Liberalisation of trade, investment and services in Bangladesh under the WTO regime are perceived to have positive impact on the economy through generation of employment and income opportunities and expansion of economic bases. This in turn has contributed to higher GDP growth, increased remittances and reserves and technological upgradation. Against this positive notion, it is also believed that such growth has been accompanied by several negative externalities, such as environmental degradation. One of the several manifestations of liberalisation-led growth is the increase of transport services which brings along air pollution for the city dwellers. In line with the pace of trade

liberalisation, the demand for transport services across the country, particularly in cities like Dhaka, has increased manyfolds. This is because of the fact that most of the industries, business houses and establishments are based in and around Dhaka city. The air pollution in Dhaka city is very high compared to many cities in the world. The situation is worsening due to weak regulatory framework, implementation measures and lack of awareness among the policymakers and common people. Such a situation calls not only for designing an appropriate transportation system for the city, but also for a policy on liberalisation of the transport sector which will combine FDI and technology transfer in order to keep pollution within the acceptance level. The proposed study, undertaken in collaboration with UNESCAP, will deal with these issues based on secondary information. The study is being conducted by *Fahmida Khatun*, Head of Research and *AKM Nazrul Islam*, Research Fellow of CPD.

### Agricultural Trade with India: Implications for Food Security and Poverty

A number of countries who are not importers of agricultural products, have recently experienced tremendous price hikes on agricultural products. Being increasingly integrated in the world economy, Bangladesh has become more exposed to shocks in trade policies by other countries, particularly by the Indian export policies. India is the largest source of imports to Bangladesh, constituting about 21 per cent of Bangladesh's total recorded imports. In recent years, India imposed export ban on some food products such as rice which has a direct effect on the availability and prices of rice in Bangladesh. Therefore, changes in Indian policy have large unforeseen impacts on Bangladesh. This project seeks to analyse how India's agricultural production and trade policy influence the welfare of poor households in Bangladesh through effects on competitiveness, prices, availability and food security. The CPD is implementing the study in collaboration with Chr. Michelsen Institute (CMI), Norway. Members of the study team include *Uttam Deb*, Head of Research; *AKM Nazrul Islam*, Research Fellow; *Muhammad Al Amin*, Senior Research Associate; and *Nafisa Khaled*, Senior Research Associate of CPD; and *Dr Arne Wiig* of CMI.

### CPD-ILO Study on Inventory of Policy Responses to the Global Financial Crisis: Implications for Bangladesh

CPD, in association with ILO, has completed a study on the above mentioned title. The study is a part of ILO's global initiative in order to appreciate important employment and social policy responses to the labour market impacts of the severe economic downturn in view of the global financial crisis. Information on various policy measures related to macroeconomics, export and domestic market-oriented issues of Bangladesh have been compiled under four broad aspects including employment, social protection, international labour standards and social dialogue. An analysis of total number of beneficiaries and total financial costs for the government undertaking various measures have been carried out under the study. The study team included *Khondaker Golam Moazzem*, Senior Research Fellow; *Md Tariqur Rahman*, Senior Research Associate; and *Md Asrafuzzaman*, Programme Associate of CPD.

### CPD-ICRIER Study on Making SAFTA Effective: An Approach to Prune Sensitive Lists in South Asia

CPD, in association with Indian Council for Research on International Economic Relations (ICRIER), is currently undertaking this study as a part of regional research collaboration between Bangladesh (CPD), India (ICRIER), Nepal (SAWTEE), Pakistan (LUMS) and Sri Lanka (IPS). In view of lack of acceleration of intra-regional trade under the SAFTA agreement, the study examines the scope for enhancing intra-regional

(Continued on page 7)



(from page 6)

trade by pruning the sensitive lists of member countries. Taking into account the import-related and domestic industry-related issues, a number of techniques are being applied to identify possible products for pruning from Bangladesh's sensitive list. The study will suggest two separate lists of sensitive products (one for non-LDCs and another for LDCs) that could be considered for pruning from Bangladesh's lists. The study team consists of *Khondaker Golam Moazzem*, Senior Research Fellow, and *Kishore Kumer Basak*, Research Associate of CPD, and is expected to be completed by November 2010.

#### **Export Diversification of Bangladesh's Apparel Products: Opportunities and Challenges in Traditional and Emerging Markets**

In view of the growing demand for export diversification of manufacturing products, particularly apparel products of Bangladesh, CPD has recently initiated this study. As part of the study, two separate analyses on woven wear and knitwear apparels have been carried out. It is to be noted that analysis on the scope and opportunities of export diversification of woven wear apparels in traditional and emerging markets has been carried out in association with GTZ. In case of analysis of traditional markets (USA, EU

and Canada), the study has identified a few newly selected products along with the current top-exporting products, which have large export potentials. As for market diversification, the study has identified eight new markets namely Turkey, Japan, Mexico, South Africa, South Korea, Brazil, Russia and Australia, and also identified potential products for those. The study will put forward suggestions both on policy-related and operational issues. Conducted by *Khondaker Golam Moazzem*, Senior Research Fellow and *Afrin Islam*, Research Associate of CPD, the study is expected to be completed by November 2010.

#### **CPD-IPS Survey on Trade Facilitation in South Asia**

CPD, carried out a perception survey of Bangladesh's private sector to elicit information on the state of trade facilitation in the country. The exercise was undertaken as part of a study titled "Trade Facilitation Issues in South Asia" which is being implemented by the Institute of Policy Studies (IPS), Sri Lanka. The objective of the study is to assess the priorities for trade facilitation measures in South Asia and to outline a framework for implementation of those. The study will map the existing trade facilitation measures and evaluate the potential contribution of both trade and non-trade business facilitation measures to trade and export competitiveness. The survey was coordinated by *Syed Saifuddin Hossain*, Senior Research Associate, CPD.

### **CPD Professionals in National Fora**



*Mustafizur Rahman*, Executive Director

- Participated as a Discussant at the launch of "The Bangladesh Economic Governance Index (EGI) Report 2010," organised by The Asia Foundation, on 1 August 2010.
- Attended the "Post-Budget Discussion Session of National Budget FY2010-11", as a Special Guest, organised by the Institute of Cost and Management Accountants of Bangladesh (ICMAB), on 2 August 2010.
- Participated at a brainstorming session on "Building the Skill Society," jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and Power and Participation Research Centre (PPRC), on 26 August 2010.
- Participated as a Member at the 15th Meeting of National Statistics Council (NSC), on 26 August 2010.
- Participated as the Guest of Honour to deliver a speech on the *RMG Sector – The Next Challenges and Way Forward for Bangladesh*, organised by the British Business Group (BBG), on 1 September 2010.
- Participated at a seminar on "Bangladesh-USA Trade Relations," organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), on 15 September 2010.
- Participated at the 28th Meeting of the Standing Committee of the Finance Ministry, on "Bangladesh Bank's Monetary Policy with special reference to Inflation Containment and Spurring Growth in our Economy," on 16 September 2010.
- Participated as a Panelist in a regional conference on "Skills Development," organised by the Skills Development Working Group (SDWG) of the Local Consultative Sub-Group on Education (ELCG) in collaboration with NORRAG, on 22 September 2010.

*AKM Nazrul Islam*, Research Fellow

- Participated as a member in a Working Group Committee meeting, organised by the Ministry of Environment and Forests, GoB, to finalise the *List of Environmental Goods* to be sent to the WTO through the WTO Cell of the Ministry of Commerce, GoB, on 20 September 2010.
- Participated in an expert group open discussion meeting with the US Ambassador to the UN Bodies to Rome, jointly organised by the Food and Agriculture Organization (FAO) and the United States Agency for International Development (USAID), on 26 September 2010.

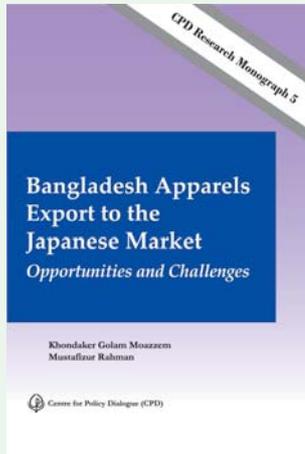


## CPD Publications

### CPD Research Monograph 5

#### **Bangladesh Apparels Export to the Japanese Market: Opportunities and Challenges**

Authors: Khondaker Golam Moazzem and Mustafizur Rahman



The monograph focuses on potential opportunities that Bangladesh's export-oriented RMG sector have in the Japanese market in view of the changing dynamics. Since 2001, the duty-free market access facility provided by Japan for most of the apparels products originating from the least developed countries (LDCs) has continued to remain mostly underutilised. But in recent times, Bangladesh's export of apparels to the Japanese market has started to evince some encouraging changes as many leading Japanese buyers are searching for new suppliers outside of China, the so-called "China Plus One" strategy. This

monograph comes up with a number of recommendations to realise the attendant opportunities so that Bangladesh could emerge as a major supplier in the Japanese market.

### Occasional Papers

- Mustafizur Rahman, Towfiqul Islam Khan, Ashiqun Nabi and Tapas Kumar Paul. *Bangladesh's Export Opportunities in the Indian Market: Addressing Barriers and Strategies for Future*. Occasional Paper 90.
- Fahmida Khatun. ২০১০-১১ অর্থবছরের বাজেটে নারী সংবেদনশীলতা। Occasional Paper 91.

## Other Publications of CPD Researchers

Rehman Sobhan. 2010. *Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia*. New Delhi: Sage Publications.

Mustafizur Rahman and Zeeshaan Rahman. 2010. "Bilateral FTAs in South Asia: How Justified is this Renewed Interest?" *Trade Insight*, 6 (2).

Uttam Deb. 2010. চালের দাম: সরকারের সামনে বিকল্প সুযোগ রয়েছে। *The Prothom Alo*. 12 July.

Fahmida Khatun. 2010. অর্থনীতির মূলধারায় নারীর সম্পৃক্তি। *Dainik Samakal*, 14 July.

Fahmida Khatun. 2010. Meeting the Major Targets. *Forum*, July.

Fahmida Khatun. 2010. "Revisiting a Few Measures of FY2011 Budget." *ICE Business Times*, 1 (1).

Khondaker Golam Moazzem. 2010. পোশাক শিল্প: গ্রহণযোগ্য ন্যূনতম মজুরির অবস্থান কোথায়? *The Prothom Alo*. 17 July.

### CPD-SACEPS Monograph Series 5

#### **Redesigning Budgetary Policy to Reach Public Resources to the Poor**

Authors: Atiur Rahman and Mahfuz Kabir

This monograph captures multidimensionality of poverty and extracts broad canvas of budget in the context of eradicating poverty in Bangladesh through economic and political empowerment of the poor. It reveals that due to the complex bureaucratic procedures, there is not much scope of the poor to participate in the budget making process. The tax structure is neither progressive nor pro-poor. High transaction cost of poverty alleviation project is also evident. Poor women suffer from multiple deprivations, vulnerability and disempowerment in economic, political and social arena. Yet women-focused projects that are supposed to alleviate women's poverty have been decreasing in number day-by-day. The monograph suggests for making the present budgeting system decentralised and participatory; democratising priority-setting process; creating space for citizen participation; expanding targeted allocations and social safety net programmes; shifting dependency on indirect to direct tax to reduce misery of the poor; and, consider gender dimensions of poverty while formulating any budgetary policy, programme and project in order to make the budget making process transparent and pro-poor.



Masudur Rahman. 2010. "Bangladesh Trade Potential: A Dynamic Gravity Approach." *Journal of International Trade Law and Policy*, 9 (2). July.

Hasanuzzaman and Zeeshaan Rahman. 2010. "Conceptualising Indo-Bangladesh Cooperation: A Game Theoretic Approach to Transport Connectivity Agenda." *Journal of International Relations*, 8 (1): 132-149.

Hasanuzzaman. 2010. Bangladesh's Regional Transit Agenda. *The Daily Star*. 30 July.

Hasanuzzaman. 2010. Memories of Bangabandhu's Sister. *BDNews24*. 18 August.

Mehrana Islam Chowdhury and M Abdul Baten. 2010. "Increasing Landlessness and its Impact on Food." *OIDA International Journal of Sustainable Development*, 1 (2): 77-83.

Published by Centre for Policy Dialogue (CPD)

House 40/C, Road 11 (New), Dhanmondi R/A, Dhaka 1209, Bangladesh; Mailing Address: GPO Box 2129, Dhaka 1000, Bangladesh

Telephone: (8802) 8124770, 9141703, 9141734, 9145090 Fax: (8802) 8130951 E-mail: info@cpd.org.bd Website: www.cpd.org.bd

Post your comments at <http://www.cpd.org.bd/Blog/>

ISSN 1817-7662



9 771817 766007