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# CPD

Centre for  
Policy  
Dialogue  
Bangladesh

## Quarterly

### FROM the editor's desk

A major event of the first quarter of 2011 was the launching ceremony organised by CPD on the occasion of the publication of CPD Chairman *Professor Rehman Sobhan's* book titled *Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia*. The book was published by Sage Publication, New Delhi, India. It may be recalled here that a number of excellent reviews of the book, written by eminent economists and scholars, had already appeared in reputed publications in the region.

In a way, this particular publication epitomises the life long dedication, passion and scholarship of *Professor Sobhan* to advance the cause of the weaker sections of the society, challenging the policymakers and the stakeholders to think and act in noble and different ways. In his book, *Professor Sobhan* defines poverty as a form of 'injustice' that needs to be corrected. He argues that the "excluded are embedded in certain inherited structural arrangements such as insufficient access to productive assets and human resources, unequal capacity to participate in both domestic and global markets and the undemocratic distribution of political power." In sharing his thoughts on the book at the launching event, *Nobel Laureate Professor Amartya Sen*, to whom the book is dedicated, drew attention to the inherent weaknesses of the market economy and underscored the need to correct the injustice that the assetless and resourceless sections of the society have to encounter on a continuing and daily basis. Sharing their views on the publication, discussants at the launching, who included some of the finest economists of Bangladesh, examined the various concrete proposals that were put forward by *Professor Sobhan*. The audience was exposed to a critical appreciation of *Professor Sobhan's* innovative ideas, thanks to their insightful comments on the book.

In the book, *Professor Sobhan* states that since his work goes into uncharted policy terrain, his research should be seen "as a work in progress that would need to be fertilised by ongoing dialogues at the professional, policymaking and political levels." Now that *Professor Sobhan* has taken the first step, it is hoped that others will be inspired to follow this up and take the next steps.



*Dr. Debapriya Bhattacharya along with the CPD-IRBD team is addressing the media*

### CPD Releases Mid-year Assessment of the Economy

"Sluggish implementation of public investment programme and slow progress in energy and power sectors are the binding constraints for growth during the current fiscal year," said *Dr Debapriya Bhattacharya*, Distinguished Fellow, CPD while presenting the CPD report on *State of the Bangladesh Economy in FY2010-11*. Prepared under CPD's Independent Review of Bangladesh's Development (IRBD) programme, the study report was released to the press on 4 January 2011 at its office. The study observed that the ADP implementation rate was 20.4 per cent during July-November which was 22.6 per cent during the same period in the last fiscal year. This was due to lower utilisation of project aid. In this regard, *Dr Bhattacharya* stated that availability of funds (local or foreign) is not the problem for the government to implement its investment plan, but what is lacking is adequate capacity to spend or invest.

According to the report, positive movements were visible in areas such as NBR registering 24.8 per cent growth in revenue collection during the first five months against an annual target of 16.8 per cent last year. The economy has also gained momentum with enhanced export receipt, strong industrial credit flow and growing import demand for capital machineries. He, however, warned that if

the manufacturing sector does not experience a broad-based boost in promoting structural change, achieving 6.7 per cent economic growth in the current fiscal year will be really challenging. The CPD study team was also concerned over unhealthy trend in the capital market, rising food inflation, deteriorating balance of payments situation due to weak remittance inflow and growing trade deficit. In order to counteract rising commodity prices (including fuel and food), volatile capital market, slow recovery of investment demand and pressure on balance of payment, fiscal and monetary policy need to be complementary with fiscal policy taking the lead and monetary policy being accommodative in nature to the emergent to each other's needs. The CPD study observed that the recent high growth in the capital market might be linked to lack of investment opportunities in productive sectors, weak performance of the regulatory authorities, market manipulation and various anomalies in the financial sector.

*Dr Bhattacharya* also mentioned that there is apprehension as regards the loan arrangement under negotiation with the IMF, and urged the government to disclose the conditionalities attached to the loan. Apart from senior CPD staff, the press briefing was attended by a large contingent of journalists from both print and electronic media.



"We have to maintain policy flexibility and policy autonomy to attain faster growth, but borrowings from the IMF could limit the government's fiscal flexibility and may lead to pursuing a contractionary monetary policy by the Bangladesh Bank." These observations were made by CPD Executive Director Professor Mustafizur Rahman while sharing his views on the emerging challenges facing Bangladesh economy in the second half of FY2010-11. He was presenting the CPD keynote paper of the dialogue on *Growth, Inflation and Monetary Policy: Challenges for Bangladesh in FY2011*. CPD organised this dialogue on 13 February 2011, at the CIRDAP Auditorium, Dhaka which Dr Atiur Rahman, Governor, Bangladesh Bank attended as the Chief Guest. Dr Salehuddin Ahmed, Former Governor, Bangladesh Bank; Dr Rizwanul Islam, Former Special Advisor, ILO, Geneva and Dr Ahsan Habib Mansur, Executive Director, Policy Research Institute (PRI) attended the dialogue as Designated Discussants. Professor Rehman Sobhan, Chairman, CPD chaired the dialogue.

According to the CPD study, the conditionalities associated with the proposed one billion dollar IMF loan could push the country towards a contractionary monetary policy, and in the end it could lead to a rise in the interest rate. The CPD study also observed that in the past, Bangladesh Bank at different times, rejected at least four IMF recommendations including the adoption of Policy Support Instrument (PSI), introduction of

a tighter monetary policy, raising cash reserve ratio (CRR) for the scheduled banks, and opening of the capital account. If this proposed loan of IMF is disbursed, 11 steps will have to be taken by the country as per agreed conditionalities, some of which will not be in Bangladesh's interests.

The study observed that Bangladesh economy was going through a turning point and

development, Bangladesh economy needs to experience structural changes based on promotion of productive sectors which are heavily underutilised, especially in the agricultural sector.

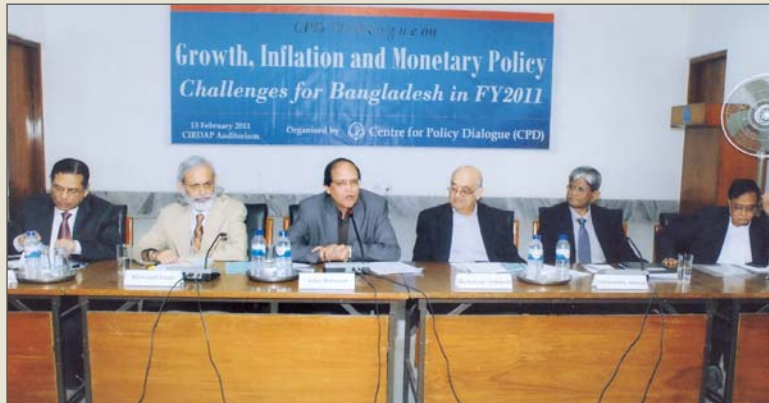
Dr Ahsan Habib Mansur emphasised on the stability of the foreign exchange market and opined that if the present tension continues, remittance flow will start to fall. Expressing concern over the liquidity situation in the market, he suggested that mitigating liquidity expansion should be one of the highest priorities. Dr Rizwanul Islam drew attention to the need for productive employment for speedy growth since the rate of unemployment and underemployment in the country increased to 5.9 per cent and 28.7 per cent respectively in recent times. He also noted that for a developing country like Bangladesh reducing poverty should be the ultimate goal instead of promoting just the GDP growth.

Mr Ziaul Hassan Siddiqui, Deputy Governor, Bangladesh Bank said that the central bank has kept

broad money supply target unchanged at 15.2 per cent for FY2010-11, which is higher considering the country's inflation and GDP growth. He also ruled out the alleged mistake of enforcing CRR hike at a wrong time, arguing that the central bank had increased the CRR with a view to curbing inflationary pressure on the economy. Mr Sanjay Kathuria, Lead Economist, World Bank commented that investment should exceed

(Continued on page 4)

### Borrowing from the IMF will Limit Bangladesh Government's Fiscal Flexibility Remarked CPD



Atiur Rahman is addressing the dialogue while (from left) Mustafizur Rahman, Rizwanul Islam, Rehman Sobhan, Salehuddin Ahmed and Ahsan Habib Mansur are paying attention

some tensions were emerging which included rising inflation, volatility in the stock market, risky exposure of commercial banks to the stock market, instability in the foreign exchange market, and a slowdown in remittance inflows. Bangladesh Bank had been reactive instead of being proactive in monitoring the involvement of commercial banks into capital market. The CPD study also looked into prospects for economic growth in the near term. It was noted that for a sustainable and inclusive

An Expert Group Consultation on CPD-IRBD Study titled *Structural Change of Bangladesh Economy and Medium Term Planning* was organised by CPD at its office on 31 March 2011.

A draft concept note for thematic volume of IRBD 2011 titled *Structural Transformation of Bangladesh Economy: Changes, Challenges and Chances* was presented at the meeting. Dr Mustafa K Mujeri, Director General, Bangladesh Institute of Development Studies (BIDS); Mr M Syeduzzaman, Member, CPD Board of Trustees; Dr Ananya Raihan, Executive Director, Development Research Network (D.Net); Dr Quazi Shahabuddin, Former Director General, BIDS; Dr Zahid Hussain, Senior Economist,

The World Bank; Dr Mahabub Hossain, Executive Director, BRAC; Dr S R Osmani, Professor, University of Ulster, UK; Dr Barkat e

### Expert Group Consultation on CPD-IRBD Study on Structural Change of Bangladesh Economy and Medium Term Planning



Khuda, Professor of Economics, Dhaka University; Dr Sajjad Zohir, Director, Economic Research Group; Dr A B Mirza Azizul Islam, Former Advisor to the Caretaker Government; Dr Ahsan Habib Mansur, Executive Director, PRI; and Dr M M Akash, Professor of Economics, University of Dhaka were present at the meeting. The macroeconomic experts discussed the issues delineated in the concept note with great detail. They have also

provided valuable suggestions to be included in the forthcoming IRBD thematic volume.



"We seem to be spending over 50 per cent of our national budget for alleviation of poverty, but the reduction in the rate of poverty has not been happening at a fast enough pace," said *Professor Rehman Sobhan* while chairing the CPD-BRAC dialogue on *Resources for the Ultra Poor in the National Budget: How Much? How Effective?* The dialogue was held on 23 March 2011, at the BRAC Centre Inn Auditorium where Hon'ble Minister for Food, Disaster Management and Relief *Dr Muhammad Abdur Razzaque, MP* was present as the Chief Guest. *Dr M M Akash*, Department of Economics, University of Dhaka and *Dr Mustafa K Mujeri*, Director General, BIDS were present as Designated Discussants of the event.

*Professor Sobhan* stated that poverty reduction should be the first area of accountability of the government. He noted that the 'charter to change' of the government would not be fully successful by solely expanding Social Safety Net Programmes (SSNPs) without proper utilisation of the allocated funds for poverty reduction.

A keynote paper titled *An Analysis of the National Budget: Allocation for the Ultra Poor* was presented by *Dr Fahmida Khatun*, Head of Research, CPD. The analysis stated that 84 SSNPs under four categories are now being implemented across the country to support the poor. The budgetary allocation for the SSNPs increased to 14.8 per cent of the total budget in FY2010-11 from 8.4 per cent in FY2006-07. "Still a meagre proportion of the extreme poor are covered by SSNPs," she remarked. As the 'ultra poor' is not a distinct group in the government's policy documents, it becomes difficult to come up with a number to indicate how much resource is exactly allocated for the extreme poor. For this reason, the services under SSNPs should be improved and strengthened to support the poor and the extreme poor, suggests the CPD study. Access to SSNPs should be highlighted as the 'right' of the poor rather than 'relief', CPD recommended.

*Dr Akash* observed that due to lack of governance and political problems, there has been more wasteful expenditure and leakage in the SSNPs. He suggested to adopt participatory approach in targeting beneficiaries. *Dr Mujeri* said that endowment for the ultra poor has to be increased and policies should also address the issues to ensure their welfare. He also emphasised the need for qualitative change in the budget to address poverty. BRAC Executive Director *Dr Mahabub Hossain* also urged the government to make effective allocation for SSNPs by avoiding misuse and to take steps to turn 'relief' into 'development'.

From the floor, *Dr A B Mirza Azizul Islam*, Former Adviser to the Caretaker Government remarked that the government runs many small and large programmes under the SSNPs which might be consolidated through an appropriate policy to mitigate such problems as multiplicity, mistargeting of right beneficiaries and misappropriation. Planning Commission Member *Dr Shamsul Alam* put emphasis on ensuring quality education to increase capacity of the 'ultra or extreme' poor for

enhancing their income opportunities. He said that SSNPs are not sustainable initiatives, only education can help the poor to develop confidence and become financially solvent.

Hon'ble Minister *Dr Razzaque* mentioned that the contribution of revenue to the country's GDP for poverty alleviation is low compared to other South Asian countries. He stressed the need to strengthen the capacities of the local government, and at the same time, to ensure accountability of the local government institutions so that the SSNPs are properly implemented for poverty reduction at the grassroot level. He admitted that there are cases of pilferages and leakages due to wrong selection of beneficiaries. "But the government is trying to make the selection process more transparent," the Minister added.

**Access to SSNPs should be considered as 'right' of the poor rather than 'relief'**  
Recommended CPD at the CPD-BRAC Dialogue



*Muhammad Abdur Razzaque, MP* addresses the dialogue; (from left) *Fahmida Khatun*, *Mahabub Hossain*, *Rehman Sobhan* and *Mustafizur Rahman* are also seen

**In-house Course Conducted on CGE Modelling at CPD**

CPD organised an In-house Course on CGE Modelling for the young CPD researchers. The event was held during 20-24 March 2011, at the CPD Dialogue Room. *Dr Khondaker Golam Moazzem*, Senior Research Fellow and *Mr Towfiqul Islam Khan*, Senior Research Associate, CPD facilitated this course where 14 researchers of CPD participated.



*Khondaker Golam Moazzem* is delivering lecture while participants are seen paying attention



*Students of Economics Department of Jagannath University, Dhaka* visited CPD on 14 March 2011



*Students of Georgetown University, Qatar* visited CPD on 3 March 2011; CPD senior researchers briefed them on CPD's dialogue and research activities and the state of the Bangladesh economy

## CPD Launched Professor Rehman Sobhan's Book

CPD organised the launching ceremony of the publication titled *Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia* authored by Professor Rehman Sobhan, Chairman, CPD at the BRAC Centre Inn Auditorium, Dhaka on 31 January 2011. The book was first published in 2010 by SAGE Publications India Pvt. Ltd. The volume addresses the issue of structural injustices underlying the social system that deprives the poor from accessing the productive resources, and thus inhibits the poverty eradication process in South Asian countries. The book suggests some specific policies and institutional measures which may serve to challenge the injustice of poverty in South Asia. The book is dedicated to Nobel Laureate Professor Amartya Sen who, according to Professor Sobhan, has enduring commitment to end poverty.

"Market has economic importance, but at the same time one should not leave everything to the market," remarked Professor Sen at the launching ceremony which he attended as the Guest of Honour. Citing quality education and health services and people's purchasing power as examples, he mentioned that market opens up opportunities, but a lot of other things are needed to allow all to

enjoy the opportunities. He also stressed the roles of state, non-government organisations and political parties to make these available to the poor. He said that this book written by Professor Sobhan sees poverty as a visage of injustice and then he added,

"poverty is not only harmful for some people, it is also a manifestation of injustice from the social viewpoint, that is why we need to ensure the end of it."

Hon'ble Minister for Finance Mr A M A Muhith, MP was present as the Chief Guest at the ceremony while Mr M Syeduzzaman, Member, CPD Board of Trustees chaired the event. Dr Atiur Rahman, Governor, Bangladesh Bank; Dr Akbar Ali Khan, Former Advisor to the Caretaker Government; Professor Wahiduddin Mahmud, Former Advisor to the Caretaker Government; Dr S R Osmani, Professor, University of Ulster, UK; and Dr Binayak Sen,

Research Director, BIDS presented their comments on the book. The book was launched jointly by the Hon'ble Finance Minister and Professor Amartya Sen in a packed auditorium where Members of Parliament, Ambassadors, distinguished economists, academics, members of civil society, editors, business leaders and leading lawmakers of the country were present.



(from left) Atiur Rahman, Amartya Sen, Rehman Sobhan, M Syeduzzaman and A M A Muhith, MP are seen holding the book

## CPD's 35th Board of Trustees Meeting

The 35th meeting of the Board of Trustees (BoT) of CPD was held at the Centre's Dialogue Room on 15 February 2011. Presided over by Professor Rehman Sobhan, Chairman, CPD, the Board meeting was attended by CPD Trustees Ms Khushi Kabir, Coordinator, Nijera Kori; Mr M Syeduzzaman, Former Finance Minister; Mr Nurul Haq, Former Member, Planning Commission; Ms Laila Rahman Kabir, Managing Director, Kedarpur Tea Company Ltd and Former President, MCC; Dr Anisuzzaman, Professor Emeritus, University of Dhaka; Advocate Sultana Kamal, Executive Director, Ain o Salish Kendra and Former Advisor to the Caretaker Government of Bangladesh; and Professor Mustafizur Rahman, Executive Director, CPD and Member Secretary of the CPD-BoT. Ms Anisatul Fatema Yousuf, Director, Dialogue and Communication Division, CPD attended the meeting on invitation.



The Biannual Review Meeting of the programme activities being implemented by CPD with support of the Think Tank Initiative (TTI), took place on 26 January 2011. Mr Stephen J McGurk, Regional Director, IDRC and Dr Kaveri Gill, Senior Programme Officer, IDRC met CPD senior management and discussed various activities under the TTI Award. It is to be recalled that CPD was selected as one of the TTI grantees through a global competitive process in 2010.

## Borrowing from the IMF

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savings in a country like Bangladesh. For this the government has to ensure a transparent and regulatory environment to attract foreign direct investment.

Explaining the main objectives of the present monetary policy, Dr Atiur Rahman stated that it focused not only on controlling inflation, but also on growth and structural

changes. He expressed his intention to provide support to the productive sectors and said that obtaining inclusive growth is now the first priority of Bangladesh Bank. The Governor further informed that they are now discussing with ADB to develop the country's bond market to ensure long-term reforms in the capital market and real estate sector. Former Bangladesh Bank Governor Dr Salehuddin Ahmed expressed concern over the bubbles in the stock market, saying that any financial crisis is preceded by a

bubble. He also emphasised on the reform of Securities and Exchange Commission (SEC) and its policies.

Professor Rehman Sobhan termed the country's capital market as a 'casino' where people entered not to invest but to make quick money. He called for efficient management and control of the market, and urged the authorities to take steps so that credible investors are attracted to it. He suggested that remittance can be utilised for growth instead of foreign aid.



## CPD Professionals in International Fora

### Rehman Sobhan, Chairman

- Attended the 9th BCIM Regional Economic Cooperation Forum, on 17-19 January 2011, in Kunming, China.
- Attended the International Senior Advisory Board of the WANA Forum (ISAB), organised by the West Asia-North Africa (WANA) Forum, on 23 January 2011, in Amman, Jordan.
- Attended the SACEPS World Conference on "Recreating South Asia: Democracy, Social Justice and Sustainable Development," organised by SACEPS, on 24-26 February 2011, in New Delhi, India.

### Mustafizur Rahman, Executive Director

- Attended the 9th BCIM Regional Economic Cooperation Forum, on 17-19 January 2011, in Kunming, China.
- Participated in the "Creating Systemic Change Workshop," organised by the Centro Brasileiro de Analise e Planejamento (CEBRAP), on 21-26 February 2011, in Sao Paulo and Barra do Sahy, Brazil.

### Debapriya Bhattacharya, Distinguished Fellow

- Attended the "Global Poverty Summit," as a Taskforce Member of Doha Development Agenda, organised by the South African Local Government Association (SALGA), on 17-19 January 2011, in Johannesburg, South Africa.
- Participated in the Official Mission on "Prepare Strategic Partnership Policy," organised by UNDP China, on 23 February 2011, in Beijing, China.
- Participated in an Experts' Round Table on "The Doha Riddle: EU as Partner or Rival of Developing Countries?" organised by the Friedrich-Elbert-Stiftung, on 15 March 2011, in Brussels, Belgium.
- Participated in an International Dialogue on "Road to the Fourth United Nation Conference on the Least Developed Countries: Framework Issues and Specific Concerns," jointly organised by the International Centre for Trade and Sustainable Development

(ICTSD), OECD Development Centre, Paris and CPD, on 17 March 2011, in Geneva, Switzerland.

- Presented a paper on *Outcome Document of UN LDC IV: Framework Issues and Strategic Concerns*, at the Development Policy Seminar, organised by the United Nations Department of Economic and Social Affairs, on 22 March 2011, in New York, USA.

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

- Attended the 9th BCIM Regional Economic Cooperation Forum, on 17-19 January 2011, in Kunming, China.

### Fahmida Khatun, Head of Research

- Made a presentation on *Overview on International Dialogue on Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV held on 24-26 November 2010 in Dhaka, Bangladesh*, at the Preparatory Working Meeting, organised by the OECD Development Centre, on 14 February 2011, in Ankara, Turkey.

### A K M Nazrul Islam, Research Fellow

- Attended the India-Bangladesh Meeting organised by the Centre for Policy Research (CPR), India on 9-11 February 2011, in New Delhi, India.

### Mazbahul Golam Ahamad, Research Associate

- Attended the Launch Meeting on "Trade, Climate Change and Food Security Programme in South Asia," organised by the South Asia Watch on Trade, Economics and Environment (SAWTEE), on 23 February 2010, in Kathmandu, Nepal.
- Participated as a Discussant in the Second Civil Society Forum on "Responding to Food Insecurity in South Asia," organised by SAWTEE, on 24-25 February 2011, in Kathmandu, Nepal.



H E Mr Svend Olling, Ambassador, Royal Danish Embassy visited CPD on 23 January 2011



H E Ms Anneli Lindahl Kenny, Ambassador and Mr Tomas Bergenholtz, First Secretary, Embassy of Sweden visited CPD on 24 January 2011

## Other Events at CPD

- A Discussion Meeting on CPD-ILO study titled *Bangladesh Labor and Social Trends (BLST)* was organised by CPD on 13 January 2011 at its office. *Dr Muhammed Muqtada*, Former Director, Policy Planning Employment Sector, ILO, Geneva and senior CPD researchers were present at the meeting.
- A meeting on *Bangladesh's Negotiating Stance in view of the WTO-NAMA Negotiations* was held on 15 January 2011 at the CPD office. Along with senior CPD researchers *Mr Amitava Chakraborty*, Director General; *Begum Sharifa Khan*, Deputy Director; *Mr Nesar Ahmed*, Deputy Director; and *Mr Md Mashooqur Rahman Sikder*, Assistant Director of WTO Cell, Ministry of Commerce, GoB participated at the meeting.
- *Dr Inge Amundsen*, Senior Researcher and Political Scientist, CMI, Bergen, Norway who is a member of CPD-CMI research team visited CPD on 29-30 January 2011. The team attended a number of meetings, discussions and field visits organised by CPD during this period.
- A Consultation Meeting with the Probe Committee on *The Stock Market Debate* was held at the CPD office on 30 January 2011. Chairman of the Committee *Mr Khondkar Ibrahim Khaled*, Chairman, Bangladesh Krishi Bank; Members *Dr Toufic Ahmad Choudhury*, DG, BIBM; and *Mr Abdul Bari*, Former President, ICAB were present along with the experts *Dr Salahuddin Ahmed Khan*, Former CEO, DSE; *Mr Faruq Ahmed Siddiqi*, Former Chairman, SEC; *Mr M Syeduzzaman*, Member, CPD Board of Trustees. Senior CPD researchers were also present at the meeting.
- A Discussion Meeting on *Strengthening South Asian University* was organised by CPD at its office on 2 February 2011. *Professor G K Chadha*, Chief Executive Officer, South Asian University, and Professor Emeritus and Former Vice Chancellor, Jawaharlal Nehru University (JNU), India; *Professor Rajiv K Saxena*, Officer on Special Duty (Academics and Planning), South Asian University and Professor of Immunology, School of Life Sciences, JNU; *Professor Rehman Sobhan*, Chairman, CPD; and *Professor Mustafizur Rahman*, Executive Director CPD participated in the meeting.



## A Village Revisited

A Discussion Meeting on *Some Impressions from a Revisit to a Village in Bangladesh after 30 Years* was held at the CPD Dialogue Room on 3 March 2011. Dr Eirik G Jansen, Senior Advisor, Evaluation Department, Norwegian Agency for Development Cooperation (Norad) presented the keynote paper. Dr Jansen shared his views on changes in the socio-economic conditions of people in a village which he had first studied three decades back. Mr M Syeduzzaman, Member, CPD Board of Trustees; Dr Mahabub Hossain, Executive Director, BRAC; and Professor M M Akash, Department of Economics, University of Dhaka were present at the meeting. CPD senior researchers also attended the session.

## CPD Presents Recommendations of Dhaka Dialogue in Pre-UN LDC IV Conference Events Abroad

CPD organised and participated in a number of events as a follow-up of the Dhaka International Dialogue on "Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV," held on 24-26 November 2010. The objective was to disseminate the recommendations emanating from the Dhaka Dialogue among a wider set of stakeholders and feed into the UN LDC IV preparatory process. These included:

- ❖ ICTSD, OECD Development Centre, Paris and CPD jointly organised an International Dialogue on *Road to the Fourth United Nation Conference on the Least Developed Countries: Framework Issues and Specific Concerns* on 17 March 2011, at the Centre International de Conférences Genève, Geneva.
- ❖ Dr Debapriya Bhattacharya, Distinguished Fellow, CPD presented a paper on *Outcome Document of UN LDC IV: Framework Issues and Strategic Concerns*, at the Development Policy Seminar on "UN LDC IV: Framework Issues and Strategic Considerations," organised by the United Nations Department of Economic and Social Affairs (UN-DESA) on 22 March 2011, in New York, USA. The seminar discussed some strategic concerns for enabling an innovative and effective outcome in the Istanbul Conference on UN LDC IV (to be held during 9-13 May 2011) so as to address the key development challenges of the LDCs.
- ❖ Dr Debapriya Bhattacharya, Distinguished Fellow, CPD participated in an Experts' Round Table on "The Doha Riddle: EU as Partner or Rival of Developing Countries?" organised by the Friedrich-Elbert-Stiftung, on 15 March 2011, in Brussels, Belgium. He presented the recommendations of Dhaka Dialogue in the meeting.
- ❖ Dr Fahmida Khatun, Head of Research, CPD made a presentation on *Overview on International Dialogue on Exploring a New Global Partnership for the LDCs in the Context of the UN LDC IV held on 24-26 November 2010 in Dhaka, Bangladesh* at the Preparatory Working Meeting, organised by the OECD Development Centre, on 14 February 2011, in Ankara, Turkey.

## CPD Professionals in National Fora

### Rehman Sobhan, Chairman

- Attended as the Chief Guest of Bangladesh Economic Association's (Chittagong Chapter) Bi-annual Conference on "Development of Chittagong: Regional Hub of the East," on 5 February 2011.

### Mustafizur Rahman, Executive Director

- Participated as a Discussant in the Bangladesh Economic Association's (Chittagong Chapter) Bi-annual Conference on "Development of Chittagong: Regional Hub of the East," on 5 February 2011.
- Delivered the National Professor Atwar Husain Memorial Lecture 2010, on *Global Integration through Regional Cooperation: An Emerging Opportunity for Bangladesh*, organised by the Asiatic Society of Bangladesh on 12 February 2011.
- Presented a paper on *Strengthened Global Integration through Closer Regional Cooperation in Southern Asia: Opportunities for Bangladesh*, at the Academic Session of the conference organised by the Alumni Association of the Economics Department, Rajshahi University, on 18 March 2011.
- Participated as a Discussant in the 2nd session of the International Conference on "Entrepreneurship and Development: Experiences, Practices and Policies," jointly organised by BRAC, the Improving

Institutions for Pro-poor Growth (IIG) of Oxford University and the International Growth Centre (IGC) of London School of Economics, on 27-28 March 2011.

### Rounaq Jahan, Distinguished Fellow

- Delivered a lecture on *The Challenges of Consolidating Democracy of Bangladesh*, organised by the Asiatic Society of Bangladesh, on 24 March 2011.

### Fahmida Khatun, Head of Research

- Participated as a Discussant and presented a paper on *Export Dynamics and Firm Capabilities*, in the International Conference on "Entrepreneurship and Development: Experiences, Practices and Policies," jointly organised by BRAC, the Improving Institutions for Pro-poor Growth (IIG) of Oxford University and the International Growth Centre (IGC) of London School of Economics, on 27-28 March 2011.

### Khondaker Golam Moazzem, Senior Research Fellow

- Presented the keynote paper on *Pujibajarer Shamprotik Poristhiti: Shamadhan Kon Pothey?* at a Roundtable Discussion on "Pujibajarer Osthira Niye Nagorik Udbeg," organised by the Shushashoner Jannya Nagorik (SUJON), on 24 March 2011.

## Research Division Report

### National Budget Analysis for the Extreme Poor

**Development** strategies pursued by Bangladesh talks of giving special emphasis on poverty reduction. This is reflected in all the national planning documents. Despite this, a large number of people still remain below the extreme poverty level. Higher resource allocation is required for them. Based on field observations, this study has identified the programmes and allocations in the national budget directly targeted for the development of the poor, and it assessed the designs and implementation processes of the safety net programmes. It has made a special assessment of allocations in the national budget which are directly related to assist only the ultra poor. The study also provides a set of proposals to increase the efficacy of fiscal measures and public service delivery to the ultra poor. The study team consisted of *Fahmida Khatun*, Head of Research; *Towfiqul Islam Khan*, Senior Research Associate; and *Ashiqun Nabi*, Research Associate of CPD.

### Investigating the Determinants of Inflationary Trends in Bangladesh: An ARDL Bounds Test Approach

This study investigates the most influencing determining factors of recent inflationary trends in Bangladesh. An Unrestricted Error-Correction Model (UECM) Version Autoregressive Distributed Lag (ARDL) bounds F-test is employed to find out the short-run and long-run elasticity of the inflation determinants. Time series data for the period of FY1980-81 to FY2008-09 are used to make estimation. The study is being led by *Fahmida Khatun*, Head of Research; and *Mazbahul Golam Ahamad*, Research Associate of CPD is providing the research support to this study.

### Executive Opinion Survey for the Global Competitiveness Report 2011-12

CPD, at present, is conducting the Executive Opinion Survey to feed into the *Global Competitiveness Report 2011-12*. This is being implemented by the CPD in collaboration with the World Economic Forum (WEF), Switzerland popularly known as 'Davos Forum'. The survey, tenth in series, focuses on status of major business-related issues during January-December 2010, particularly related to government and public institutions, infrastructure, innovation and technology, financial environment, domestic competition, education and human capital, corruption, ethics and social responsibility. The survey will be completed in April 2011. *Khondaker Golam Moazzem*, Senior Research Fellow is in overall charge of this exercise, while *Kishore Kumer Basak*, Research Associate, CPD is coordinating the survey. Other members of the team include *Rony Akther*, Dialogue Associate; *Ishita Ahmed*, Research Associate; and *Ahmed Sadek Yousuf*, Intern of CPD.

### Changes in General Climatic Characteristics in Bangladesh: Special Reference to Flood and Drought-prone Areas

This study examines the changes in general climatic characteristics in Bangladesh with a special focus on drought and flood-prone agro-ecological zones. The macro dynamics of major climatic indicators such as rainfall, temperature, and the nature and extent of changes in various flood and drought-prone agro-ecological zones in the country have also been studied. The study recommends development of an agro-ecology based comprehensive development plan to save the threatened agriculture sector. It is a collaborative study with the International Crops Research Institute for the Semi-Arid-Tropics (ICRISAT), Hyderabad, India. The study team consists of *A K M Nazrul Islam*, Research Fellow; *Uttam Deb*, Additional Director (currently on leave); *Muhammad Al Amin*, Senior Research Associate; *Nafisa Khaled*, Senior Research Associate (currently on leave); and *Ashiqun Nabi*, Research Associate of CPD.

### Vulnerability to Climate Change, Adaptation Strategies and Layers of Resilience: Quantitative Assessment of Vulnerability to Climate Change

The level of vulnerability to climate change for different agro-ecological zones in Bangladesh has been assessed in this study. Taking into consideration climatic exposure, sensitivity and adaptation capacity in agriculture, occupation, demography and geography of the country, the study has developed a composite vulnerability index for all agro-ecological zones of the country. Led by *A K M Nazrul Islam*, Research Fellow, the study has been carried out by *Muhammad Al Amin*, Senior Research Associate; *Nusrat Jahan*, Research Associate; *Mazbahul Golam Ahamad*, Research Associate; *Ishita Ahmed*, Research Associate; and *Shamma Tabassum*, Research Associate of CPD.

### Jute Mill Upgradation for Higher Productivity

CPD, in association with Katalyst, is currently carrying out the above titled study. The study focuses on the assessment of current status of productivity and efficiency of jute mills in Bangladesh with a view to identify requirements of necessary restructuring and reforms in improving the machineries, production processes, operational management and skill upgradation for professionals and workers in private and public sector jute mills. A micro-level analysis is being carried out based on the data collected from ten jute mills. The study is led by *Khondaker Golam Moazzem*, Senior Research Fellow, while research assistance is provided by *Kishore Kumer Basak*, Research Associate, CPD. The study is targeted to be completed in July 2011.



Joint Birthday Celebration (October to December 2010) of CPD family on 27 January 2011



CPD family after Professor Rehman Sobhan, Chairman, CPD inaugurated the month-long Ekushey Book Fair stall of CPD at the Bangla Academy premises on 3 February 2011



## CPD Publications

### Books



#### State of the Bangladesh Economy in 2009-10 and Outlook for 2010-11

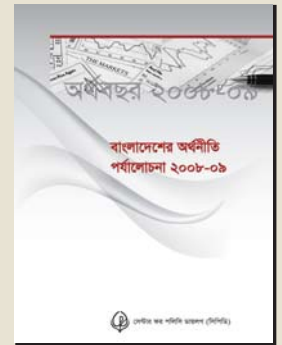
This volume is published in continuation of CPD's longstanding annual tradition of bringing out an in-depth analysis of the major macroeconomic performance indicators and developments in the relevant fiscal years, and also to share CPD's early assessment of the outlook for the next fiscal year. The volume includes four chapters covering a full-fiscal report card of macroeconomic performance of

Bangladesh in FY2009-10; analysis of the national budget for FY2010-11; a set of proposals that CPD prepared and submitted to the Finance Minister (in April 2010), prior to the presentation of the national budget; and an interim report on the analysis of economic performance over the first two quarters of the present fiscal year, i.e. FY2010-11.

### Occasional Paper

**Paper 92:** State of the Bangladesh Economy in FY2010-11 (First Reading).

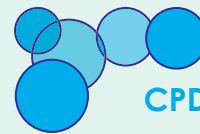
#### বাংলাদেশের অর্থনীতি পর্যালোচনা ২০০৮-০৯



This is the Bangla version of the volume "State of the Bangladesh Economy in FY2008-09 and Outlook for FY2009-10." The book attempted to review the behaviour of key macroeconomic indicators during FY2008-09, identify a number of emerging challenges confronting macroeconomic management over FY2009-10, analyse various proposals in the national budget for FY2009-10, and various other aspects including – growth prospect, budget implementation, domestic resource mobilisation, ADP implementation, PPP and steps taken by the Bangladesh Bank to control inflation.

### Other Publications by CPD Researchers

- Mustafizur Rahman, Towfiqul Islam Khan, Ashiqun Nabi and Tapas Kumar Paul. 2011. "Bangladesh's Export Opportunities in the Indian Market: Addressing Barriers and Strategies for Future." *South Asia Economic Journal*, 12(1).
- Debapriya Bhattacharya. 2011. উন্নয়ন প্রশাসনের কার্যকারিতা বাড়াতে সরকারের মনোযোগী হওয়া উচিত. *The Daily Bhorer Kagoj*. 3 January.
- Debapriya Bhattacharya. 2011. সরকারের দুই বছর. *The Prothom Alo*. 9 January.
- Fahmida Khatun. 2011. Food Inflation and Food Security. *ICE Business Times*. January.
- Anisatul Fatema Yousuf. 2011. Commitments at Kunming. *The Daily Star*. 11 February.
- Rehman Sobhan. 2011. Remembering Zeaul Huq. *The Daily Star*. 16 February.
- Fahmida Khatun. 2011. Investing in the Health Services. *ICE Business Times*. February.
- A K M Nazrul Islam. 2011. Present Food Situation in Bangladesh. *The Executive Times*. February.
- Rehman Sobhan. 2011. The Need for Statesmanship. *The Daily Star*. 15 March.
- Fahmida Khatun. 2011. To Garner Domestic Resource. *The Daily Star*. 17 March.
- Rehman Sobhan. 2011. চাই রুটিনায়কচিত্ত প্রজ্ঞা. *The Prothom Alo*. 19 March.
- Mustafizur Rahman. 2011. Taking Advantage of the Rise of India and China. *The Daily Star*. 28 March.
- Fahmida Khatun. 2011. Migration and Remittances. *ICE Business Times*. March.
- A K M Nazrul Islam. 2011. Climatic Vulnerability in Bangladesh. *The Executive Times*. March.



### CPD Staff News

- *Nafisa Khaled*, Senior Research Associate has been awarded with the Australian Development Scholarship to pursue Master's Degree in Development Studies in the University of Sydney, Australia. She will be on Study Leave from CPD for the period of 16 January 2011 to 14 January 2012.
- *Jennifer Hossain* has joined CPD on 2 January 2011 as an Executive Assistant.
- *Shamma Tabassum* has joined CPD on 18 January 2011 as a Research Associate.
- *Sadek Yousuf Ahmed* has joined CPD on 24 January 2011 as an Intern.
- *Rorvik Kristin Hildre* has joined CPD on 25 January 2011 as an Intern.
- *Nepoleon Dewan* has joined CPD on 30 January 2011 as a Programme Associate.
- *Nusrat Jahan Tania* has joined CPD on 1 February 2011 as a Programme Associate.
- *A S M Tarek Hassan Semul* has joined CPD on 20 March 2011 as a Project Assistant.

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