



From the Editor's Desk

The beginning of the Year 2004 saw a number of important initiatives on the part of the CPD. This is very well reflected in CPD's activities during the first quarter of 2004 both in terms of research and also dialogue activities.

The three-day Trade Policy Appreciation Workshop organised by the CPD under its Trade Policy Programme in January, 2004 was a major event during the first quarter of the current year. Workshop participants came from an exceptionally rich background and included representatives from government, NGOs and business and trade bodies. Resource persons with practical backgrounds in WTO negotiating process, bilateral negotiations, research and academia helped the workshop participants to understand some of the most complex issues in the WTO including the way dispute settlement mechanism works and disputes are initiated, addressed and settled in the dispute settlement body and how negotiations are carried out, trade-offs take place and consensus is gradually built around particular issues. The participants also received an indepth understanding about the interface and inter-relationship between regional and global trading systems and how the RTAs function.

The visit of the three member CPD team to Cancun during the Fifth Ministerial Meeting of the WTO provided CPD a unique opportunity to observe the working of the WTO from a close range. A session of the Workshop was dedicated to sharing the experience of the CPD team

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Participants at the dialogue on Dispute Settlement in the WTO: How Friendly is it for the LDCs? (From left to right) Dennis Browne, Amir Khosru Mahmud Chowdhury, Debapriya Bhattacharya, Mohammed Faruk Khan, MP, Mohammad Ali Taslim and Mustafizur Rahman.

CPD Dialogue on Dispute Settlement in the WTO

Speakers urge for LDC representation in the DSB Panel

"Although the underlying objective of the World Trade Organisation (WTO) is to eliminate barriers which constrain trade relationships among the member states, the Least Developed Countries (LDCs) are yet to reap the desired benefit". These words were loudly voiced by participants at a national dialogue on Dispute Settlement in the WTO: How Friendly Is It for the LDCs? held on January 26, 2004 at the CIRDAP Auditorium in Dhaka. Organised by the Centre for Policy Dialogue (CPD), in collaboration with the Centre for Trade Policy and Law (CTPL), Ottawa, Canada. The dialogue was attended by the Commerce Minister Amir Khosru Mahmud Chowdhury, MP as the

Chief Guest. Whip of the Opposition Mohammed Faruk Khan, MP as Special Guest; and Chairman of Bangladesh Tariff Commission Mohammad Ali Taslim was the Guest of Honour. Dennis Browne, Director Emeritus, CTPL presented the keynote paper while CPD Executive Director Debapriya Bhattacharya moderated the session.

A wide range of participants including Members of the Parliament, high level policy makers, academicians and researchers, business leaders, trade union leaders, political leaders, and representatives from diplomatic missions, development partners and NGOs attended the dialogue.

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CPD Dialogue on Dispute Settlement in the WTO

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Dennis Browne, in his presentation observed that the Dispute Settlement Mechanism (DSM) of the WTO was a complex one, and that it was difficult for LDCs to benefit from its workings. "The LDCs shy away from WTO dispute resolution because of the time consuming process, high costs involved and complex procedures," he noted. He strongly criticised the existing WTO provisions on safeguard measures for the LDCs in the form of Special and Differential (S&D) treatment, saying that honouring the provisions is completely dependent on the good will of the developed countries. In order to improve the provisions on Dispute Settlement Understanding (DSU), the CTPL expert mentioned a number of remedies including selection of LDCs as venues for conducting dispute settlement talks, delimiting a 60 days time-line for such talks, and having options for use of good offices, conciliation and mediation as Alternate Dispute Resolution (ADR) measures in case of failure in consultation. He further put forward the suggestion of incorporating provisions for compensation for damages in the DSU.

Speakers at the dialogue brought in the issue of Indian anti-dumping measures on Bangladeshi products and stated that Bangladesh, as a

WTO member, should take the matter to the Dispute Settlement Body (DSB) of the WTO. They noted that implementation and procedural difficulties do not allow LDCs make use of the verdict even when a ruling is in its favour. It was further mentioned that fear of deteriorating bilateral relationship is one of the main reasons that hold many countries back from going to the DSB.

While expressing his opinion, the Opposition Whip noted that despite their reservations as regards how the domestic economy of the country was run, the opposition would like to always extend all possible cooperation to the government in successfully realising our demands at the international level in order to get our share from the multilateral trading system.

Addressing the dialogue, the Commerce Minister observed that the WTO dispute settlement panel should have representation from LDCs when it was dealing with disputes that involved poor countries. The Minister emphasised the need for expeditious arbitration and compensation for the winning parties in view of time consuming and costly procedures and proposed that a global trust fund be set up to

finance capacity building programmes which would help LDCs in making adequate use of the dispute settlement process. "These issues need to be given high priority in the future negotiations in the WTO, and the LDCs should work as a collective in pressing their demands", he maintained. He then informed the audience that similar proposals were being worked out under the SAFTA.

The Chair of the session, Debapriya Bhattacharya, termed the dispute settlement process in the WTO as cumbersome and stressed the need for its simplification so that the poor countries can make good use of it. He concluded the discussion by observing that it is the responsibility of the LDCs to articulate their demand for flexibility in the rules and press for mandated implementation of the S&D measures by the developed members of the WTO.

Those who took part in the deliberations are Former Commerce Secretary Syed Alamgir Farruk Chowdhury, General Manager of Bangladesh Bank Ghulam Murtaza, Former Ambassador MM Rezaul Karim, Jatiya Party law maker GM Quader, Chairman of Mohammadi Group Annisul Huq, Legal Advisor to CTPL Rosemina Nathoo, and Deputy Chief of Ministry of Agriculture Nilufar Begum.

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which visited Cancun with the workshop participants. The participants had an opportunity to understand how the WTO works, how negotiations are conducted, around which issues the debate centred in Cancun and which major blocs emerged in the process and why it was not possible to reach a consensus in Cancun. Workshop participants were exposed to some of the major issues in Cancun that

concerned the interests of least developed countries, and Bangladesh's stance with respect to these issues. The workshop also discussed some of the major developments following Cancun and possible strategies to advance Bangladesh's interests in view of the Cancun outcome.

Trade related human capacity building has now become an area of utmost importance for Bangladesh. An awareness about key issues,

compliance requirements and supply side capacity building needs is critical to Bangladesh's economic performance in the context of the ongoing process of globalisation. An awareness about reforming the global trading system, to ensure that it is sensitive to the concerns and interests of the LDCs and the increasingly marginalised poor is also becoming very urgent. It is hoped that the workshop was able to contribute on both these counts.



Policy Appreciation Workshop on WTO and Bangladesh



State Minister for Foreign Affairs Reaz Rahman speaks at the Certificate Awarding Ceremony of the three-day Policy Appreciation Workshop on WTO and Bangladesh. Sitting from the left to right: Dennis Browne, Robert Beadle, M Syeduzzaman and Mustafizur Rahman.

As part of its continuing effort to build up knowledge on developments taking place in the international trading system and relevant institutions, the CPD, as part of its capacity building programme, organised a three-day Policy Appreciation Workshop during January 27 - 29, 2004. The workshop on WTO and Bangladesh, the fourth of its kind, was organised in collaboration with the CTPL and was held at the CIRDAP Auditorium, Dhaka. The workshop assembled 40 participants including officials from various Ministries of the Government, researchers from academic institutions, research, and training organisations, representatives from business bodies, media, NGOs and civil society organisations.

Economists and policy analysts who conducted various sessions of the workshop as resource persons were Executive Director Debapriya Bhattacharya, Research Director Mustafizur Rahman, and Research Fellows Ananya Raihan, Uttam K Deb and Fahmida A

Khatun from CPD, Director Emeritus Dennis Brown, Director Asia Pacific Rosemina Nathoo and Project/Research Officer Sarah Geddes from CTPL, and WTO Counsellor Shishir Priyadarshi.

During the three-day workshop, participants were exposed to various systemic and agreement specific issues in the ongoing negotiations in the WTO. These included International Trading Systems, Dispute Settlement in the GATT/WTO, Special and Differential Treatment (S&DT) in the WTO, Cancun WTO Ministerial and its Implications for Bangladesh, and Regional Trading Arrangements and their Relationship with the WTO. One distinctive feature of the workshop was a simulation exercise carried out by the participants on how negotiations are carried out in the WTO, particularly with respect to systemic issues and S&DT in the context of the Least Developed Countries (LDCs).

The Certificate Awarding Ceremony, held on January 29, 2004, the third and concluding

day, was attended by State Minister for Foreign Affairs Reaz Rahman as the Chief Guest and Head of Development Cooperation of the Canadian High Commission Robert Beadle as the Special Guest. Former Finance Minister and Member of CPD Board of Trustees M Syeduzzaman presided over the session. Emeritus Director of CTPL Dennis Browne was also present on the occasion.

Robert Beadle praised CPD for its contribution towards trade related capacity building in Bangladesh. Terming the workshop an event of national interest, he stated that such endeavours would help the participants to make significant contribution to trade related policy making in Bangladesh.

The Chief Guest in his remarks mentioned that the Workshop was a timely event particularly in the context of collapse of the Cancun Ministerial. He also informed the audience that Bangladesh has reaffirmed its position for implementation of the Doha Development Agenda (DDA) by the end of 2004. Referring to South Asian Free Trade Area (SAFTA) and other bilateral trade agreements within the region, Reaz Rahman said "Such Policy Appreciation workshop will greatly contribute towards generating awareness about Bangladesh's interest in the context of the ongoing regional trade negotiations". He praised CPD's role for improving understanding on trade issues in both private and public sectors.

After distribution of certificates among the participants, Syeduzzaman concluded the three-day workshop by reiterating CPD's commitment towards policy analysis and policy influencing as regards various developmental issues in the context of Bangladesh and the ongoing negotiations in the WTO.



Replication of Best Pro-poor Practices Can Help Reduce Poverty

South Asian Commission on Poverty Alleviation reports



Speakers at the SACEPS Seminar on Follow-up of SAARC Summit Decisions Concerning the Report of the Independent South Asian Commission on Poverty Alleviation. From left to right: M.Rahmatullah, Rehman Sobhan, Kamal Uddin Siddiqui, Muchkund Dubey, Hossain Zillur Rahman and Mustafizur Rahman.

The South Asia Centre for Policy Studies (SACEPS), in association with CPD, organised a Seminar on Follow-up of SAARC Summit Decisions Concerning the Report of the Independent South Asian Commission on Poverty Alleviation (ISACPA) on February 27, 2004. Attended by Kamal Uddin Siddiqui, Principle Secretary to the Prime Minister, as the Chief Guest, the seminar was held at the BRAC Centre INN Auditorium in Dhaka. Former Indian Foreign Secretary Muchkund Dubey presided over the session.

Presenting the keynote paper Hossain Zillur Rahman, Executive Chairman, Power and Participation Research Centre (PPRC) and Member, ISACPA, observed that poverty alleviation

depends on an amalgamation of right policies and best practices. To this end, he noted "the commission has set a target to halve the poverty level by 2010 against the global target of 2015". The ISACPA report called upon the members of South Asia to share their experience of success stories in various fields amongst the members of the region. "Bangladesh can share the Indian experience in the development of information technology while India can share Bangladesh's experience in the field of microcredit programme", Rahman observed. He emphasised on the need for strong co-ordination between the policies and initiatives at the micro level with a view to reduce poverty in the region.

Discussants at the seminar urged the regional policy makers to adopt pro-poor policies that were conducive to employment generation. They also felt that South Asia has become a captive to the Washington Consensus while Latin America and South West Asia have moved a way from this. On a positive note, it was mentioned that South Asia has a wealth of untapped resources to reach the vulnerable groups; a set of clearly defined priorities is the need of the time. Some of the discussants said that World Bank and IMF-driven poverty programmes often override the interests of states by putting an over-emphasis on growth.

The Chief Guest, who was also a member of the Commission, maintained that Bangladesh would pursue a policy which

would emphasise upon pro-poor growth, gender equity, sustainable development of environment and natural resources, and good governance. The policy would be followed in line with the SAARC initiative for poverty alleviation in the region, he added. He referred to the Interim Poverty Reduction Strategy Paper (I-PRSP) being prepared in this regard. He also underscored the importance of replication of best practices to reduce poverty.

CPD Chairman Rehman Sobhan made a critique of donor-driven development approaches, and this regard mentioned disinvestment and trade liberalisation programmes as lacking vision and strategic developmental purpose. He pointed out that there was a lack of synchronisation of regional and national agendas and that this was a problem inherent in the initiatives undertaken to fight poverty in South Asia.

Dubey, in his concluding remarks, was in unison with Sobhan and stated that foreign-aided NGO approach often contradicted the mainstream poverty policy of the local government bodies. He endorsed the Commission's emphasis on policy initiatives as against individual initiatives.

Godfrey Gunatilleke from Sri Lanka, Khawar Mumtaz from Pakistan, and Quazi Mesbahuddin Ahmed, M M Akash, Nasreen Awal Mintoo, Rita Afsar, former Finance Minister M Syeduzzaman, former Ambassador Mohammad Zamir from Bangladesh took part in the discussion.



Political Consensus Must for Implementation of SAARC Social Charter

Law Minister urges at regional civil society meet



Law, Justice and Parliamentary Affairs Minister Barrister Moudud Ahmed, MP makes a note while Godfrey Gunatilleke, Adil Khan, Rehman Sobhan, Muhammad Yunus, Muchkund Dubey and Mustafizur Rahman pay attention.

The South Asia Centre for Policy Studies (SACEPS), in association with CPD organised a seminar on Follow-up of SAARC Summit Decisions Concerning the SAARC Social Charter on February 29, 2004 at the BRAC Centre INN Auditorium, Dhaka. The seminar was divided into two sessions. The agenda of the first session was Discussion on the SAARC Social Charter and the Citizen's Social Charter for South Asia and the second session was on Discussion on Implementation of the SAARC Social Charter.

Minister for Law, Justice and Parliamentary Affairs Barrister Moudud Ahmed, MP attended the inaugural session as the Chief Guest which was presided over by the Managing Director of the Grameen Bank Ltd. Muhammad Yunus.

Godfrey Gunatilleke, Deputy Chairman, Council of Fellows, Marga Institute, Sri Lanka and Convenor, SACEPS Task Force on the Citizen's Social Charter (CSC) presented the keynote paper titled SAARC Social Charter (SSC) and Comparison with CSC.

CPD Chairman and Executive Director of SACEPS Rehman Sobhan, in his opening remarks, observed that regional cooperation in South Asia is yet to gather momentum. In this context, he observed that the civil societies in the SAARC countries should play a more proactive role towards an effective advocacy in support of SAARC Social Charter.

The keynote paper presented a comparative study of the SAARC Social Charter and the Citizen's

Social Charter and identified several issues that have been dealt with the SSC and not by the later one, and vice-versa. Gunatilleke particularly mentioned the issue of social integration and good governance which are integral part of the CSC.

Adil Khan, Chief, Socio-Economic Governance and Management branch, UNDESA, New York, USA in his statement said his organisation believes the Social Charter adopted by the SAARC has the potential to contribute significantly to the development of the region. Khan said the UN has been mandated through its 1996 Resolution on Partnership to be a partner of civil society and government in their quest to improve pro-poor policies. These policies would eventually

contribute directly to the mandates of the UN and national government.

During the open floor discussion, the discussants noted that political leaders have to be committed to realising the aspirations expressed in SSC. They underscored that the CSC is not an alternative document but a complement to the SSC.

The Minister, in his remarks, stated that widespread corruption is the major force holding back our development and it is taking its toll on our economic progress. "Corruption is eating up about two per cent of our GDP growth", he added. The Minister also emphasised on the need for more cohesion and accountability within the government to wipe out corruption and other social evils. Upholding the importance of the

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Speakers at the concluding session of the SACEPS Seminar. From left to right: Adil Khan, Godfrey Gunatilleke, Rehman Sobhan, SAMS Kibria and Muchkund Dubey.



Pragmatic Policy Must to Survive in the Post-MFA Era

Experts sound a cautionary note as regards future of Bangladesh's RMG sector

The CPD, in collaboration with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Citibank NA, organised a National Dialogue on Surviving In a Quota Free World: Will Bangladesh Make it? on March 18, 2004 at the Sheraton Hotel Ball Room. The dialogue was attended by Commerce Minister Amir Khosru Mahmud Chowdhury, MP as the Chief Guest and HE Harry K Thomas, US Ambassador to Bangladesh, as the Special Guest. Presided over by the CPD Executive Director Debapriya Bhattacharya, the dialogue was also attended by BGMEA President Annisul Huq, CEO of Citibank NA Mamun Rashid, and Commerce Secretary Suhel Ahmed Choudhury.

CPD Research Director Mustafizur Rahman, in his keynote presentation, identified a number of items of apparels, at a disaggregated level, which demonstrated competitive strength in the US Market. On the other hand, export performance of some of the derestricted items is showing that Bangladesh is losing market share in the US, particularly to China. His analysis showed that Bangladesh continues to remain one of the suppliers of choice by major global buying chains such as Walmart, K.Mart, GAP and H+M. Rahman mentioned that a reduction of lead-time from 90-120 to 30-45 days will become a

factor of competitiveness in the post-MFA (Multi Fibre Arrangement) era. Gaining economies of scale, establishment of backward linkage industry and horizontal investments in Apparel/Textile industries will be crucial in terms of Bangladesh's market presence in the US.

Speakers at the dialogue pointed out various issues



CPD ED Debapriya Bhattacharya moderated the dialogue on Surviving In a Quota-Free World: Will Bangladesh Make it? Mustafizur Rahman, Annisul Huq, Amir Khosru Mahmud Chowdhury, Suhel Ahmed Choudhury, Mamun Rashid, Harry K Thomas and Quazi Moniruzzaman are also seen in the picture.

such as the competitive price of domestic yarn, minimum workers' rights for garments workers, and improvement of the law and order situation as crucial factors in creating a conducive business environment in the country.

The BGMEA president urged the government to adopt effective policy measures to protect hundreds of garment factories from p o s s i b l e

closure once the MFA is phased out. He also emphasised the need for establishing central bonded warehouse, setting up of dyeing, printing and finishing factories, change in monetary policy to facilitate credit for RMG exporters and also the need for strong lobbying for relaxation of rules of origin. On a positive note, the

BGMEA chief observed that he agreed with the point made in the keynote presentation to the effect that the buying houses are showing confidence in Bangladesh and that the size of orders placed by them are increasing.

The US Ambassador, in his speech, noted that Bangladesh has the capacity to withstand the quota free regime beginning on January 1, 2005 provided that pragmatic measures a r e

taken to improve infrastructure, eliminate corruption and modernise transport facilities.

In his introductory statement, Mamun Rashid mentioned that the removal of restraints would result in heightened competition in the world apparel market. This will require Bangladesh to take adequate preparation to face the challenges and turn this situation into an opportunity.

Speaking as the Chief Guest at the Dialogue, the Commerce Minister informed the audience that the Bangladesh government has already taken some steps in terms of preparing the country for the post-MFA regime. He mentioned his government's recent initiatives to reduce port charges and interest rates, and its continued efforts to diversify the export market. Regarding the issue of job losses as a consequence of the MFA Phase-out, the Minister was of the opinion that job losses will not be significant as a result of the quota phase out; he thought that new employment opportunities will be generated in areas where Bangladesh had comparative advantages. To support his argument, he mentioned that in recent months the RMG sector has posted an 18 per cent growth in volume.

Participants from buying houses noted that Bangladesh was very much on their radar; however, they were concerned about the long lead time and infrastructure.

Debapriya Bhattacharya concluded the session by stating that while the business community will

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From the Research Division

Trade Policy Analysis (TPA)

CPD's Trade Policy has entered a second phase with initiation of the project on Trade Related Research and Policy Development (TRRPD). CPD is receiving support from Canadian International Development Agency (CIDA) for this programme. Programme activities include research and analysis on various trade related issues of interest to Bangladesh, conducting of trade appreciation workshops, holding of dialogues, preparation of policy briefs as inputs to policy making in the country, and trade related human capacity building.

Phase-out of the MFA

CPD has undertaken a study to assess the impact of phase-out of the Multi Fibre Arrangement (MFA) and examine the implications of this for Bangladesh's export-oriented apparels sector. Some of the findings of the study were presented at a national dialogue organised by the CPD, in association with the Citibank NA and BGMEA titled "Surviving In a Quota-free World: Will Bangladesh Make It?" The study is being carried out by a team at CPD which includes Debapriya Bhattacharya, Mustafizur Rahman, Ananya Raihan and Wasel Bin Shadat.

Trade and Environment

Under the research work titled Capacity Building in Trade-Environment Issues in Bangladesh: Addressing the WTO Work Programme, CPD has recently completed a study on Environmental Debates in the WTO: Defining Bangladesh's Interests. The study focuses on some of Bangladesh's interests and concerns in the context of the ongoing discussion in the WTO. The study argues that for strengthened global integration into the process of globalisation, Bangladesh needs to take a more proactive interest in environment related issues in the WTO. The study report, published as an Occasional Paper, has been prepared by CPD Research Fellow Fahmida A Khatun.

Service Sector Liberalisation

CPD has recently completed a study titled Risks and Opportunities of Liberalising Trade in Services: Country Study on Bangladesh. The study was carried out in collaboration with the International Centre for Trade and Sustainable Development (ICTSD), Geneva. Prepared by CPD Research Fellow Ananya Raihan and Research Associate Mabroor Mahmood, the report is now being peer reviewed.

Japanese Ambassador Visits CPD

His Excellency Matsushiro Horiguchi, Hon'ble Ambassador of Japan in Bangladesh, made a courtesy visit to the CPD on March 09, 2004. CPD Chairman Rehman Sobhan welcomed the Ambassador to the Centre. Research Director Mustafizur Rahman briefed the Ambassador on CPD's current activities and future plans. M Rahmatullah, Director (Transport & Infrastructure) and Anisatul Fatema Yousuf, Head (Dialogue & Communication) of CPD were also present on the occasion. The Japanese ambassador exchanged opinion with the senior CPD staff about issues of mutual interest.



Ambassador of Japan Matsushiro Horiguchi pays attention to a comment by CPD Chairman Rehman Sobhan during his courtesy visit to CPD.

CPD Mourns



CPD collective expresses its deep condolence at the sad passing away of Justice Devesh Chandra Bhattacharya, an eminent jurist, widely respected civil society leader and lifelong fighter for human rights and good governance in the country. The CPD collective shares the grief of this immense loss with Justice Bhattacharya's wife Chitra Bhattacharya, sons Debapriya Bhattacharya, Executive Director of CPD, Debadarshi Bhattacharya, daughter Debalina Bhattacharya and his daughter in law Irina Bhattacharya other relatives and well wishers and admirers and the family members. Justice Devesh Bhattacharya will always remain in our hearts as a source of inspiration and a symbol of civic courage. Justice Bhattacharya will be gratefully remembered by all who know him for his famous verdicts that uphold the rights of the common people, for his social and charitable work of which the poor and the weak were the main beneficiaries and for his active support for, and involvement in various national initiatives and movements in the country whose objective was to advance the spirit of our war of independence and our tradition of secularism and progress.



South Asia Human Development Report 2003 Launched

Reforms have failed to boost employment generation



BIDS Research Director Rushidan Islam Rahman presents the South Asia Human Development Report 2003. Former Finance Minister and Member CPD Board of Trustees M Syeduzzaman and Research Director, CPD, Mustafizur Rahman are also seen in the picture.

"Despite having positive impact on GDP, the donor-driven economic reform programme has failed to reduce the level of unemployment in Bangladesh". This was observed by speakers at the launching ceremony of the South Asia Human Development Report 2003 at CPD, Dhaka on March 30, 2004. The Report has been jointly published by the Mahbulul Haq Human Development Centre, Pakistan and Oxford University Press Ltd. CPD Board of Trustees M Syeduzzaman presided over the launching meeting.

The report was presented by Rushidan Islam Rahman, Research Director, Bangladesh Institute of Development Studies (BIDS). In presenting the report Rushidan highlighted some of its key messages and shared her interpretation and observation as regards some of the information and analyses presented in the report.

In analysing the employment situation in South Asia, the Report noted that no mentionable change

has taken place in the region during the last decade in terms of structure and quality of employment. Rushidan, in her presentation, observed "Economic liberalisation has rather negatively affected the employment situation in the region". A large segment of the workforce in the region was involved in low-productivity employment and there was not enough effort towards skill enhance and technology upgradation of labour, she noted.

The report came up with some interesting statistics about employment situation and its dynamics in the context of Bangladesh. These were (a) underemployment rate is about 32 per cent (male 8.4 percent and female 71.2 per cent); (b) underemployment rate is 35 per cent in the rural areas (male 9.3 per cent and female 74.2 per cent) compared to 18.2 per cent in urban areas (male 4.9 per cent and female 52 per cent); and (c) unemployment among the educated population is considerably high in Bangladesh

(male 10 per cent and female 20 per cent). Rushidan observed that underemployment situation, its underlying causes and policy intervention to address the attendant problems should be accorded high priority by the policymakers. In this respect, speakers at the meeting felt that the government should take policy initiatives to address three major issues - creating opportunities for educated unemployment, reducing gender disparity in both unemployment and under employment, and imparting of technological training with job security for educated young people with a view to skill upgradation. They stressed the need for developing an appropriate training programme in line with the market demands.

Those who took part in the discussion included Muzaffer Ahmed, Anu Mohammad, Khushi Kabir, Laila Kabir, Mustafizur Rahman and Manzur Ahmed. A large number of media personnel also attended the launch.

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need to invest further in the textiles and apparels sectors, the share of responsibility remains more with the government which will have to take effective measures to create a sustainable business environment. "Survival of Bangladesh's RMG sector, accounting for over 75 per cent of the total export earnings, employing 1.8 million people who have feeding about 10 million dependents, hinges on concerted efforts by all stakeholders", he added.

Amongst others President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Manjurul Haq, Shirin Akhter of Karmajibi Nari, Abu Ahmed of Dhaka University, and Jatiya Party lawmaker G M Quader, MP took part in the deliberations.



Political Consensus Must for Implementation of SAARC Social Charter

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SSC, Moudud said that it should have been adopted much earlier. He also informed the audience that the government would soon form a national coordination committee and devise a national plan of action to implement the Charter in the country. He urged for a strong political consensus for successful implementation of the SSC.

Taking cue from the Minister, Yunus said, "It is our political culture that needs to be changed on an urgent basis, or else the situation will continue to deteriorate". The Grameen Bank MD called upon the citizens of the region to play their role in bringing about a change in the present situation. He also emphasised on the urgency of due attention towards microcredit, information technology, and the role of local government to achieve the millennium goal.

The concluding session, chaired by Godfrey Gunatilleke and attended by Former Finance Minister SAMS Kibria as the Chief Guest, dealt with issues relating to successful implementation of the SSC. Former Indian Foreign Secretary Muchkund Dubey presented the keynote paper on Implementation of SAARC Social Charter and Its Implications.

Dubey, in his presentation, termed the SSC as the main instrument for advocacy at a national level. He also stressed on the need for ensuring the security of minority groups for stronger regional cooperation. "Although the SSC has some weaknesses, nevertheless, there are promises as well", Dubey noted, adding that civil society has to play

its role to ensure successful implementation of the Charter.

Blaming globalisation for the widening income gap between the rich and poor, Kibria said, "The whole idea of SSC will remain vague unless the countries in the region initiate meaningful cooperation". To this end, he underscored the need for mutual understanding and cooperation among the members of the region.

High level government officials, present and former diplomats, eminent academics and representatives from NGOs from Bangladesh, India, Pakistan and Sri Lanka attended the seminar. Amongst others Khushi Kabir, Rounaq Jahan and Salehuddin Ahmed from Bangladesh and Khawar Mumtaz from Pakistan took part in the discussion. Former diplomat and Adviser to BNP MM Rezaul Karim also spoke on the occasion.

Meeting of the CPD Board of Trustees

The 21st meeting of the CPD Board of Trustees (BoT) was held on January 19, 2004 at the Centre's Dialogue Room.

Presided over by CPD Chairman Rehman Sobhan, the meeting was attended by CPD Board of Trustees Members: Chairman of Bank Asia M Syeduzzaman, Managing Director of Grameen Bank Muhammad Yunus, Chairman of APEX Group of Industries Syed Manzur Elahi, Chairperson of BRAC Fazle Hasan Abed, Professor of Bangla,

Dhaka University Anisuzzaman, Former President of MCCI Laila Rahman Kabir, Coordinator of Nijera Kori Khushi Kabir, Former Member of Planning Commission Nurul Huq and CPD Research Director Mustafizur Rahman, on invitation.

CPD Executive Director Debapriya Bhattacharya briefed the members of the BOT on various activities in the area of research and dialogues and programmes implemented by

the CPD during 2003. He also updated the members on CPD's ongoing activities and research and dialogue plans. He also placed CPD's revised budget for 2003 and annual budget for 2004 for Board's approval. After reviewing the national, regional and international involvements of CPD during the 2003, the Board expressed its satisfaction over the centre's performance. The meeting also endorsed CPD's research and dialogue programmes for the year 2004.



Young Scholars' Seminar Series (YSSS)

CPD has initiated a Young Scholars' Seminar Series (YSSS) at the Centre as part of an ongoing effort to provide young researchers at CPD an opportunity to hone their analytical skills and improve their articulation and presentation. All CPD Research and Programme Associates are required to give a presentation at this weekly Seminar. The paper will be discussed and commented upon by CPD researchers. Following the discussion feedbacks at the Seminar, the drafts will be subsequently revised by the respective researcher, and after peer review it will be published under the newly introduced CPD Working Paper Series.

During the first quarter of 2004, the following five in-house presentations were held under the YSSS at the Centre's Dialogue Room.

Dollar Stores in the USA and Prospects for Bangladesh

The first presentation under the CPD's YSSS titled *The Growth of "Dollar Store" Industry in the USA and Bangladesh's Export Potentials* was made by Research Associate Mabroor Mahmud on January 22, 2004. The presentation dealt with product-mix, sales and marketing aspects of the US Dollar Store Industry (US DSI), and described the export potentials for Bangladeshi Small and Medium Enterprises (SMEs) in this particular market niche. The paper underscored that the sales size of US DSI was about US\$ 40 billion with an average annual growth rate of 7 per cent and that the stores depended mainly on Chinese products. The paper argued that DSIs open a window of opportunity for Bangladeshi SMEs if targeted strategies in the area of finishing and marketing products are pursued.

Globalisation and Dependency: A Case for Bangladesh

Research Associate M Syeed Ahamed presented a paper on *Globalisation in Bangladesh and the Illusion of Self-*

Dependency on February 11, 2004 at the second Seminar under YSSS. The paper focused on the ongoing debate over globalisation in the context of the dependency theory. The paper made an attempt to stimulate Bangladesh in the context of this debate. The paper stated that with globalisation, least developed countries become victims of the dependency theory. The paper also stated that the contribution of pure domestic resources (e.g. agriculture) in the country's GDP is on the decline and domestic employment is shifting towards export-oriented industries and hence factors related to the process of globalisation are becoming crucial to Bangladesh's development. Putting up a critique of the contemporary development experience of Bangladesh, the paper argued that there was a need for a balance between domestic and foreign dependence to ensure sustainable economic growth.

Specialisation Pattern of Bangladesh's RMG Sector

At the third Seminar under CPD's YSSS, CPD Research Associate Wasel Bin Shadat presented his paper on *Exploring the Specialisation Pattern of Bangladesh in the US Apparel Market* on February 22, 2004. The paper was an attempt to estimate the comparative advantage of Bangladesh's Ready made Garment (RMG) sector in the US textile and apparel market through Ballasa'a Revealed Comparative Advantage (RCA) Index. On the basis of RCA analysis, a number of quota categories have been identified in which Bangladesh has shown strong specialisation over the years. Specialisation patterns of Bangladesh's major competitors were analysed for some of the selected categories and compared with those of Bangladesh. The stability in the dynamics of Bangladesh's specialisation pattern in the US apparel market was also tested through Galtonian Regression.

MFA Phase-out and Bangladesh

Asif Anwar, Programme Associate, presented his paper on *Phasing Out of the Multi-Fibre Arrangement (MFA): Implications for Bangladesh* on March 10, 2004. This Seminar was the fourth in the series under CPD's YSSS. The paper was an attempt to highlight the fallout of quota abolition to be effective from January 01, 2005. Based on an analysis of the export performance of Bangladesh's apparels at a disaggregated level, the paper came up with a number of conclusions as regards Bangladesh's competitive strength in the global market. The paper also underscored China's emergence as Bangladesh's major rival in some of the most important categories of apparels exported to the US market.

Seminar on Monga 2003

On March 28, 2004 Shahjahan Miah, Programme Associate, presented a paper titled *The Monga in the Northern Districts of Bangladesh During November-December 2003: Experience from Field Investigation*. The paper, fifth in the YSSS, focused on the underlying factors that informed the severity of Monga in 2003, and the coping mechanism pursued by the victims. It also suggested some policy measures to address the situation. The study was the result of a field investigation carried out at CPD's initiative under the overall guidance of Uttam Kumar Deb, Research Fellow, CPD.

Pointing out lack of farm activities as the main cause of the Monga, Shahjahan observed that day-labourers and landless people suffered most from the blow. Shortfall in foodgrain production in FY2003 compared to FY2002 was identified as yet another cause for determination of the food availability situation in 2003. Shahjahan called for concentrating on the Kabikha (Food for Work) programme, as a source for food availability during the Monga month and argued for ensuring proper distribution of Khas lands amongst the landless poor households of the northern districts.



CPD Professionals Overseas

Overseas involvements of CPD professionals during the first quarter of 2004 are as follows:

Rehman Sobhan
Chairman

Participated in the Global Development Network (GDN) Conference in New Delhi during January 28-30, 2004

Attended a Conference on The Study of International Institutions in This Millennium held at the United Nations Staff College, Turin, Italy. The event took place during March 13-14, 2004.

Debapriya Bhattacharya
Executive Director

Participated at a Workshop on Agriculture Sector Policy and Investment Review organised by FAO during February 26-27, 2004 in Bangkok, Thailand.

Attended a Meeting of the EU-LDC Network Management Board on March 12, 2004 in Brussels, Belgium. The meeting was organised by the EU-LDC Network.

Attended a Regional Seminar on Consumers in the Global Market held during March 25-26, 2004 in Selangor, Malaysia. Bhattacharya presented a paper on Emerging Trade Issues Affecting Developing Countries at the seminar organised by Consumers International.

Mustafizur Rahman
Research Director

Participated at the Trade Seminar for Bank Executives in Hong Kong organised by the Citibank NA. Rahman presented a paper titled The Increasingly Globalised Economy of Bangladesh: Challenges and Opportunities As a Trading Nation at the seminar held during March 30 - April 02, 2004.

M Rahmatullah
Director

(Transport & Infrastructure)

Attended a Workshop held at IDE/JETRO in Tokyo as part of a CPD - IDE/JETRO joint research programme on January 26, 2004. Rahmatullah presented a paper on Economic and Political Relations between Bangladesh and the Neighbouring Countries.

Accompanied the Bangladesh Delegation team to the Preparatory Meeting for the Fifth BCIM Forum as a representative of CPD. The meeting was held on January 16 - 17, 2004 in Kunming, China.

Presented a paper on Building Linkages with Neighbours at the seminar on North East Trade Expo: Colloquium on Subregional Economic Cooperation, in New Delhi on March 18, 2004.

Anisatul Fatema Yousuf
Head

(Dialogue & Communication)

Attended the World Social Forum 2004 held in Mumbai, India during January 16 - 21, 2004.

Ananya Raihan
Research Fellow

Presented a paper titled Agreement on South Asian Free Trade Area: LDC Perspective at a seminar organised by the Lahore Chamber of Commerce and Industry (LCCI) in collaboration with the SAARC Chamber of Commerce and Industry (SCCI). The event took place on February 16, 2004 in Lahore.

Uttam K Deb
Research Fellow

Uttam Deb is currently in Penang, Malaysia visiting the WorldFish Centre. He is part of a team assessing the impact of Genetically Improved Farm Tilapia (GIFT) research, dissemination, and network management activities conducted by the WorldFish Centre in partnership with the National Aquaculture Research Systems. Deb is expected to be there between March 22, 2004 and April 08, 2004.

Fahmida A Khatun
Research Fellow

Attended a Regional Consultation on Trade and Environment in South/Southeast Asia organised by the International Centre for Trade and Sustainable Development (ICTSD) and the International Institute for Sustainable Development (IISD), the Sustainable Development Policy Institute (SDPI), and IUCN - Sri Lanka, 14-15 January, 2004 in Sri Lanka.

Upcoming Activities

In-house dialogue on Wednesday, April 21, 2004 on Natural Resource Endowment, Growth and Conflict at CPD Dialogue Room.

National dialogue on Women's Contribution to Rural Economic Activities: Making the Invisible Visible on Thursday, April 22, 2004 at the BRAC Centre INN Auditorium.

Press Briefing on Temporary Movement of Natural Persons: Identification of Opportunities for Bangladesh in April, 2004 at the CPD Dialogue Room.

National dialogue on Civil Society's Perception on Bangladesh Development Forum will be held on May 5, 2004 at the CIRDAP Auditorium.

Dialogue on Financial Sector Reform is due to be held on May 16, 2004 at the CIRDAP Auditorium. The event will be jointly organised by the Metropolitan Chamber of Commerce and Industry (MCCI).

SACEPS Dialogue (Follow up on SAARC Summit) will take place at the BRAC Centre INN Auditorium on May 18, 2004.

Dialogue on Poverty Mapping is to be held on May 26, 2004 at the CIRDAP Auditorium.

Press Briefing on the State of the Bangladesh Economy 2004 will be held at the CPD Dialogue Room on June 3, 2004.

Press Briefing on Budget FY2005 will be held at the CPD Dialogue Room on the following day of National Budget FY2005 declaration scheduled for June 11, 2004.

A national dialogue titled State of Bangladesh Economy and Budget Responses 2004 will take place on June 15, 2004.

CPD YSSS

Under the Young Scholars' Seminar Series (YSSS) programme, CPD will hold in-house dialogues where the following papers will be presented.

Prospect of 3D Visualisation in Urban Planning in Bangladesh by Masum Billah, Programme Associate.

Climate Change and Bangladesh: A Policy Analysis by Mariam Rashid, Programme Associate.

Export Demand Function for Tea of Bangladesh: A Co-Integration Approach by Narayan Chandra Das, Programme Associate.

TRIPs and Farmer's Rights: Issues and Concerns for Bangladesh by Syed Saifuddin Hossain, Research Associate.



Publications

Employment and Labour Market Dynamics: A Review of Bangladesh's Development 2002

Publisher: Centre for Policy Dialogue (CPD) and the University Press Limited (UPL)

Price: Tk. 595.00

The present IRBD 2002 volume, the seventh under the IRBD initiative, will provide the readership an opportunity to understand and assess the dynamics of the major macroeconomic variables and the developments in key sectors of the Bangladesh economy in recent years, and also enable the reader to gain indepth insights into some of the key emerging issues which have long- term strategic significance for the country.

The analysis, presented in Part A titled Bangladesh's Macroeconomic Performance in FY2002, concentrates on major trends and changes in key macroeconomic indicators such as GDP growth rates, balance of payments situation, public sector expenditure patterns, aid utilisation, external sector performance, the exchange rate and food situation. The discussion focuses on the policies that impacted on the dynamics of these variables, the underlying factors which informed the depth and direction of these changes, and the emerging challenges in the relevant sectors and areas which need to be addressed by the policymakers of the country.

Part B of the current volume is titled Employment and Labour Market Dynamics. The various chapters in this section concentrate on the political economy of labour markets in Bangladesh, its linkage with poverty alleviation, employment opportunities and opportunities for export of labour services. The analysis presented in this section makes, perhaps for the first time, an extensive use of the recently published Labour Force Survey (LFS 2001).

Contributors: Rehman Sobhan, Debapriya Bhattacharya, Uttam Kumar Deb, Mirza Azizul Islam, Rizwanul Islam, Irshad Kamal Khan, Bazlul Haque Khandker, Abdus Sattar Mondal, Muhammad Muqtada, Rushidan Islam Rahman, Mustafizur Rahman, and Sanat K. Saha.

Dialogue Report

Workplace Environment for Women: Issues of Harassment and Need for Interventions
Report No. 65 (March 2004)

Occasional Paper

Environmental Debates in the WTO: Defining Bangladesh's Interests
Paper No. 35 (February 2004)
Author: Fahmida A Khatun, Research Fellow

Prepared under CPD's Capacity Building in Trade-Environment Issues in Bangladesh: Addressing the WTO Work Programme, the paper makes an attempt to analyse

environmental issues in the context of multilateral trading systems and the developments taking place in the WTO, particularly in the context of their relevance to Bangladesh. While Part A focuses on various multilateral agreements in the WTO on environmental issues, Part B deals with liberalisation of environmental goods and services. Part C critically analyses the effects of environmental measures on market access. The paper highlights a range of environmental issues and debates emerging in the WTO, keeping in view Bangladesh's interests and puts forward a number of recommendations as regards Bangladesh's policy stance with respect to some of the key issues in the upcoming negotiations.

Amar Ekushey Grantha Mela 2004



CPD Chairman Rehman Sobhan inaugurated the CPD stall at the Amar Ekushey Grantha Mela 2004.

As a continuation of its tradition, CPD took part in the Amar Ekushey Grantha Mela 2004. The CPD Chairman Rehman Sobhan inaugurated the CPD stall on February 09, 2004. All the members of the CPD collective were present on the occasion. CPD publications including books, research monographs, occasional papers and dialogue reports were displayed at the stall. A large number of CPD publications were sold during the three weeks of the Fair.