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CPD

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Quarterly

FROM the editor's desk

A major activity in the first quarter was preparing the first reading of "State of the Bangladesh Economy in FY2015" under CPD's flagship programme Independent Review of Bangladesh's Development (IRBD). The report assessed performance of several key economic sectors of Bangladesh and examined the quality of macroeconomic management in the first half of the ongoing FY2015.

An important public event, co-hosted by CPD with the Prothom Alo, was the special public lecture delivered by Nobel Laureate economist Amartya Sen. In his lecture Professor Sen stressed the importance of investing in health and education as key areas of policy intervention where the state ought to be the driving force. Responding to questions from the largely attended audience, Professor Sen underscored the need for raising efficiency of investment in social sectors.

In view of the growing importance of local-level planning, CPD organised a pre-budget dialogue in Tangail, which focused on the district budget component of the national budget. This was a departure from CPD's traditional post-budget dialogues that are organised outside of Dhaka. CPD researchers exchanged views with a wide-spectrum of local stakeholders including political leaders and civil society activists, business leaders and NGO workers. The participants stressed that such budgets should be designed with active participation of local communities to reflect local concerns and demands.

This quarter saw active engagement of CPD researchers in events centring the post-2015 development agenda. Senior researchers visited a number of international organisations including the UN, OECD and the Commonwealth where they highlighted concerns of developing countries regarding various aspects of the SDGs.

Ahead of the Independence Day on 26 March, an English daily republished Professor Rehman Sobhan's account of the eventful days of March 1971 which are now part of Bangladesh's glorious struggle for independence. The series was first published in the Forum Magazine in March 1971.

As a recipient of the prestigious Fulbright Fellowship, CPD Research Director Dr Fahmida Khatun went to the USA to undertake research at the Earth Institute, Columbia University, set up by renowned economist Professor Jeffrey Sachs.



(from right) Amartya Sen addresses the audience with Matiur Rahman, Rehman Sobhan and Mustafizur Rahman

Public Lecture on Economic Growth and Human Progress Economic development and human progress should be mutually complementary: Amartya Sen

Sustainable development calls for integrating economic growth with progress in human development, said Dr Amartya Sen.

The Nobel Laureate was addressing a public lecture on "Economic Growth and Human Progress," organised by CPD and Prothom Alo at Krishibid Institute, Dhaka on 23 February 2015.

A Harvard Professor of Economics and Philosophy, Dr Sen addressed a huge audience preceding the launch of the Bangla translation of the book, co-authored by Belgium-born Indian economist Jean Drèze, was published by Ananda Publishers, Kolkata.

In his talk, Dr Sen observed that despite increased economic growth and almost double per capita income, India was yet to improve in social development and women empowerment in comparison to Bangladesh.

He referred to Bangladesh's achievement in a number of social indicators including gender equity, life expectancy, mortality rate, women empowerment and vaccination.

He explained how lack of adequate healthcare continued to hamper public health and average lifespan in South Asia, especially in India.

Although the private sector enabled Bangladesh in improving healthcare after 1971, no country could ultimately improve healthcare

facilities without government intervention, argued Dr Sen.

On politics, he said that discussion and debate in democracies are essential to overcome limitations that exist in all political settings. Advising the media, he said that journalists should equally emphasise political, economic and social issues as well as human and development issues that go undermined, such as child trafficking amongst the poorer segment of the society.

In his book, Dr Sen primarily explored the interrelationships and differences between economic growth and human progress in the Indian context. Drawing upon Adam Smith, he mentioned that increasing wealth corresponds

to better livelihood and better public expenditure, both of which are undermined in India despite its economic progress.

The Indian subcontinent experienced a meagre economic

growth of 0.01 per cent during the 1900 and 1947, which became 3 per cent after its independence. Despite significant growth in the subsequent period, life expectancy – an indicator of human development – did not increase as expected.

CPD Chairman Professor Rehman Sobhan chaired the lecture, with introductory notes from Mr Matiur Rahman, Editor and Publisher, Prothom Alo and CPD Executive Director Professor Mustafizur Rahman.



State of the Bangladesh Economy in Fiscal Year 2015 (First Reading)

Private investment lacks momentum despite relative macroeconomic stability

Favourable politics and reforms in public institutions are needs of the moment to stimulate private investment and consequently boost economic growth beyond the stalled six per cent.

Lack of additional private investment for accelerating growth remained a major obstacle to Bangladesh's long-term vision of development, according to the CPD flagship report "State of the Bangladesh Economy in Fiscal Year 2015 (First Reading)."

While briefing the media on 3 January 2015, CPD Executive Director Professor Mustafizur Rahman noted that the positive macroeconomic trends in the early months of FY2015 were characterised by improved foreign exchange reserve, remittance, subsidy requirements and exchange rate.

However, a CPD perception survey conducted among entrepreneurs found that 60 per cent of them made investments during FY2015 but production growth was not impressive while employment at 80 per cent enterprises remained at the same level.

Investment barriers such as inadequate infrastructure, power and communication, coupled with lack of reform measures have held back private investment, found the IRBD analysis.

CPD researchers maintained that despite the supportive role of banking sector and capital market in investment financing, the banking sector was struggling with non-performing loans and poor management. Recapitalising the state banks with taxpayers' money despite their financial malpractices was a questionable measure that did not carry a good sign for the economy and the banking sector, noted Professor Rahman.

The CPD analysis favoured maintaining stable prices of electricity and gas and low cost of production to increase private investment.



(front left) Towfiqul Islam Khan, Debapriya Bhattacharya, Mustafizur Rahman and Khondaker Golam Moazzem with junior researchers (back)

CPD Distinguished Fellow Dr Debapriya Bhattacharya said that Bangladesh's economy has turned into a 'new normal' for constant six per cent stagnated growth, also dubbed the 'Bangla rate of growth'.

He reiterated that conducive political environment is key to boosting the investor's confidence and encourage new investors, including the returning migrant workers and new workforce comprised of 20 lakh people every year.

The government should facilitate infrastructure development, human resource development and conducive interest rate for entrepreneurs to achieve a 'super Bangla' growth rate beyond six per cent, he added.

Pointing at insufficient revenue mobilisation in early FY2015, the IRBD analysis called for revising revenue collection targets as CPD researchers suspected that a probable deficit of Tk. 25 thousand crore might undermine intended revenue collection.

Quoting Global Financial Integrity (GFI), Dr Bhattacharya noted that around USD 1.8 billion had been siphoned off in 2012, which was more than the aid received by Bangladesh.

In this regard, Professor Rahman particularly flagged that sudden surge in import of machineries did not correspond with recent investment trends on the ground. Whether it was indicative of capital flight as suspected by the IRBD analysis needed investigation, he cautioned.

Professor Rahman also felt that the Board of Investment and Bangladesh Bank should investigate the large remittance outflows to India as Bangladesh happened to be its the fifth largest remittance source, with around USD 3.7 billion sent in 2013.

12th Bangladesh, China, India and Myanmar (BCIM) Forum Platform to continue facilitating the Joint Study Group



(left) Kishore Kumer Basak, Anisatul Fatema Yousuf, Myanmar Deputy Foreign Minister U Thant Kyaw, Abdul Motaleb Sarker and Khaleda Akhter

Member countries at 12th BCIM Forum agreed to continue in its present capacity as a multi-track platform to establish close coordination with the Joint Study Group (JSG) of the BCIM Economic Corridor (BCIM-EC).

The Forum, under the theme "Cooperation for the Development of the BCIM," also recognised the need to accelerate trade and transport facilitation measures in the region including streamlining of border crossing procedures, removing non-tariff measures and strengthening relevant organisations.

Hosted by the Government of the Republic of the Union of Myanmar, the event took place during 9-11 February 2015 in Yangon, Myanmar where participants from Bangladesh, China, India and Myanmar assembled for thematic discussions on Poverty Alleviation through Development Programmes, Enhancing links for the Economic Corridor, and People to People Cooperation in the BCIM region.

Heads of the delegation of the four participating countries signed joint statement highlighting the salient features of the discussion.

As part of the Bangladesh delegation three CPD officials – Ms Anisatul Fatema Yousuf, Director, Dialogue & Communication; Senior Research Associates Ms Khaleda Akhter and Mr Kishore Kumer Basak attended the forum with Mr Abdul Motaleb Sarker, Director General, Ministry of Foreign Affairs (MoFA) as the team leader.



The opening ceremony

Meetings



H E Sophie Aubert, Ambassador of France in Bangladesh met CPD senior officials on 11 January 2015



Save the Children Country Director Michael McGrath, Director of Program Development & Quality Sharon Hauser and Director of Child Right & Governance Hagar Russ visited on 8 February 2015



Officials from the Shanghai Institute for International Studies visited on 10 January 2015

Activities related to Post-2015 Development Agenda

In briefing with Development Partners

Implementation challenges of post-2015 global agenda

In a meeting with diplomats and development partners, Dr Debapriya Bhattacharya, Chair of Southern Voice on Post-MDGs, presented a southern perspective on implementation challenges of the post-2015 agenda.



Political will is a key to implement the post-2015 development framework, according to Debapriya Bhattacharya

Ambassadors, Heads of Missions and senior officials from Denmark, France, Germany, India, The Netherlands, Norway, Russia, USA, and senior officials from agencies including ADB, DFID, European Union Delegation, ILO, UNDP, UNFPA, UN Women, The World Bank convened to share their observations on the presentation "Post-2015 Agenda and Implementation Challenges: A View from the South," in Dhaka, on 4 February 2015.

By positioning the discussion in the context of post-2015 processes, Dr Bhattacharya assessed the evolving agenda by analysing the Open Working Group (OWG) outcome document. He mentioned challenges of data issues such as availability, accountability and usability at country-level and beyond, and lack of appropriate policy and institutional infrastructure.

He underscored that implementing the agenda efficiently also hinges on resolving the systemic issues, namely policy and institutional coherence, multi-stakeholder partnerships, and data, monitoring and accountability.

First intergovernmental negotiations on SDGs

Credible plan and political leadership critical for transformative post-2015 agenda



Speaking at the UN, Dr Debapriya Bhattacharya urged for incorporation of aspirations of transformative changes, a credible work plan, and strong expression of political will in the upcoming international development agenda.

Being invited by the President of the UN General Assembly, Dr Bhattacharya was addressing the first session of inter-governmental negotiations on Sustainable Development Goals (SDGs) in New York on 20 January 2015.

The session was co-chaired by co-facilitators of the negotiations Kenyan Ambassador Mr Macharia Kamau and Irish Ambassador Mr David Donoghue.

In his presentation "Towards a UN Declaration in the Context of Post-2015

Development Agenda," Dr Bhattacharya emphasised that the global leaders need to commit themselves to a new framework of international partnership for development cooperation. It would entail provisioning adequate resources for SDGs implementation, making space for private sector and non-state actors in the implementation process, putting in place a rigorous accountability mechanism and operationalising effective monitoring and review procedures.

The global partnership for development for post-2015 should ensure an early and successful conclusion of other parallel international processes currently underway in the different areas, pointed out Dr Bhattacharya. These processes include negotiations in the areas of trade, transfer of technology, climate change, intellectual property rights, taxation and financial rules.

Dr Bhattacharya called upon the member-states of the UN to demonstrate visible political will to endow the post-2015 agenda with necessary momentum.



First Intergovernmental Negotiation on the Post-2015 Development Agenda, UN Headquarters, New York

Tackling inequalities in the post-2015 agenda

Dr Debapriya Bhattacharya, Chair, Southern Voice on Post-MDGs addressed issues related to inequalities in the post-2015 agenda at UN Headquarters, on 19 March 2015 in New York.

Dr Bhattacharya was an invited speaker at the event titled "Leaving No One Behind: Tackling Inequalities in the Post-2015 Development Agenda," organised by the Permanent Mission of the Kingdom of the Netherlands, ODI and UNF.

Although the concept of 'leaving no one behind' is firmly embedded in the



The event brought together UN negotiators, civil society and other stakeholders to discuss concrete proposals for seriously tackling inequality

post-2015 negotiations, there has been little discussion about what this means in practice. The event explored what specific actions should be agreed through the post-2015 and financing for development negotiations in order to deliver on the concept of leaving no one behind.

Other speakers were Ms Elizabeth Stuart, Research Fellow, ODI; Mr Jose Manuel Roche, Head of Research, Save the Children; and Mr Peter van der Vliet,

Dutch Deputy Permanent Representative to the UN.

2015 Global Forum on Development

Debapriya Bhattacharya for inclusive global data system for the SDGs

Dr Debapriya Bhattacharya argued whether the global data system is fit for the developing countries while addressing the event "Making Countries Fit for the Post-2015 Development Agenda" at OECD Headquarter, Paris, France, 30 March 2015.

In the keynote presentation "Making Countries Fit in Data Use: What is really needed?" he urged the international development framework to take cognisance of national context of developing countries.

Despite the need, national statistical



Participants discussed how the SDGs would require responsive statistical systems with the capacity to track development progress of countries across a much broader spectrum of development challenges

systems from developing countries, are still facing considerable challenges in delivering quality statistical information.

Participants underscored that developing countries require substantial support to build and sustain effective capacity to produce more high quality statistics and create effective data dissemination mechanisms to ensure that the right information is provided for better policymaking.

CPD Executive Director Professor Mustafizur Rahman also attended the event.

Young Scholars' Seminar Series

Full implementation of 'Right to Work' in RMG sector urged

Bangladesh has made progress in creating employment, enacting of a modern labour law and adopting framework for monitoring workplace environment but the sustainability of these initiatives remain doubtful.

These initiatives, undertaken in post-Rana Plaza period and international initiatives like Alliance and Accord, would end in few years, cautioned Visiting Associate Ms Tulsi Byrne, as part of the CPD YSSS programme on 17 January 2015.

The international advocacy in the post-Rana Plaza period is limited to what Bangladesh should do but the capitalist system needs some changes in itself, commented Ms Byrne. The study also highlighted that all the stakeholders are unanimous on the need for boosting RMG sector for economic development of Bangladesh, but political instability poses a serious threat to that growth.

The study highlighted that while the rights activists proactively draw



(centre) Tulsi Byrne explored Bangladesh's obligation to right to work under international covenants and its implementation through domestic law

international attention to violations, the trade sector remains concerned over the negative image created through these campaigns. It found that there has been 75 per cent increase in wages in post-Rana Plaza period and raises concern over other impacts on economy, e.g. increased inflation, housing and food price, etc.

The primary findings underscored that there has been pressure to form and register trade unions but allegation is made against the union leaders of

not being actual representatives of the workers. There has been pressure for relocation of factories as well but the study inquired who will pay the cost.

The study mentioned that integration of sub-contracting and small and medium enterprises (SME) factories may lead to unemployment as more than 60 per cent of factories fall into SME categories. It advised investigation of the ability of RMG industry in absorbing the 'could-be-unemployed' labours of SME factories.

Rehman Sobhan's 80th birth anniversary celebrated



The Professor with his family, colleagues and eminent citizens

On the occasion of the 80th birth anniversary of Professor Rehman Sobhan, CPD celebrated an evening with the Professor in presence of eminent guests at Flambé Restaurant on Saturday 21 March 2015.

The guests, colleagues and friends recalled their significant memories with Professor Sobhan, wishing him a continued success on his endeavours.

Born on 12 March 1935, he spent his early days at St. Paul's School,

Darjeeling, attended Atchison College, Lahore during 1942-50 and went to Trinity College, Cambridge to study Economics. On return, he joined Dhaka University as a Lecturer in Economics in 1957.

Professor Sobhan held prestigious positions including Membership at the Planning Commission (1972-74) and Director General at Bangladesh Institute of Development Studies (BIDS) (1974-93). He founded the Centre for Policy Dialogue in 1993 and still spearheads the think tank as its Founder Chairman.

His numerous accolades include Bangladesh Shadhinata Purashkar (2008), the highest civilian award; Bangladesh Bank Purashkar (2000) for services to the economics; Member of the advisory council of the President of Bangladesh (1991).



Celebration at CPD office on 12 March 2015

UN Women solidarity movement against gender inequalities
Debapriya Bhattacharya endorses UN HeforShe campaign

The CPD Distinguished Fellow has committed support for the UN Women's global campaign 'HeForShe,' which was launched in Bangladesh to generate male support to achieve gender equality.

Dr Bhattacharya was one of the nine eminent male leaders who pledged their support on Monday, 9 March 2015 at the launch of the campaign supported by the Embassy of Sweden at the capital's Sonargaon hotel.

"We say that behind every successful man stands a great mother

or wife but can we say with equal confidence that behind every successful woman is a great father or husband?" inquired Dr Bhattacharya, emphasising the ways in which women should be inspired by their fathers, brothers, husbands, male colleagues, and male citizens at large.

Being challenged to name three more persons in favour of this initiative, Dr Bhattacharya named CPD Chairman Professor Rehman Sobhan, Executive Director Professor Mustafizur Rahman and Additional Director Dr Khondaker Golam Moazzem. In addition, he said that male colleagues at CPD expressed their full institutional support towards this cause.

Urging men to sign up for the cause, Ms Christine Hunter, UN Women Representative in Bangladesh, said, "By committing to purposeful action and standing in solidarity with women, men can help put gender equality at the centre of development and growth."



The HeforShe campaign aspires to change the conflicts and challenges encountered by women in their lives to achieve gender equality

The other leaders in favour of the campaign were Swedish Ambassador to Bangladesh Johan Frisell, President of Inter-Parliamentarian Union Saber Hossain Chowdhury, UN Resident Coordinator Robert D Watkins, Prothom Alo Editor Matiur Rahman, Bangladesh Garment Manufacturers and Exporters Association Vice President Shahidullah Azim, film director Khalid Mahmood Mithu, professional golfer Siddiqui Rahman and Jaago Foundation founder Korvi Rakshand.

International Women's Day 2015

CPD celebrated the International Women's Day at its office in presence of Chairman Rehman Sobhan and senior colleagues on 8 March 2015.



Southern Voice Research Conference

Think tanks from the global South engage in post-MDG debate

The first research conference on “Southern Voice on Post-MDG International Development Goals and Targets,” organised by Southern Voice on Post-MDGs with Think Tank Initiative (TTI), took place in Istanbul during 16-17 February 2015.

The core themes of the conference encompassed shaping the international development agenda for the post-2015 period, identifying implementation challenges of the post-2015 agenda and understanding national implications for implementing post-2015 goals.

The conference provided opportunities to 20 SV research grantees who



More than 70 members of international development and research communities from Africa, Asia, Europe, Latin America and North America attended the conference

have reinterpreted their existing outputs or have undertaken new research on emerging post-2015 issues, to present their papers and invite inputs from other participants, which are essential for finalising these papers.

In parallel, the conference provided a platform for think tanks from the Global South to consolidate analytical understanding of post-2015 issues and engage in the global post-MDG debate. The event hosted a special presentation on the 5th European

Report on Development (ERD 2015), a special presentation on the Post-2015 Data Test project and a Strategy Session on “What Next for Southern Voice?”

Commonwealth Expert Group on Trade

New forum to tackle Commonwealth trade challenges

CPD Executive Director Professor Mustafizur Rahman made a presentation on Bangladesh’s manufacturing sector and the country’s progress towards graduating from LDCs at a consultative meeting of the Commonwealth Expert Group on Trade (CEGT) in Malta.

The meetings held during 25-26 March 2015, brought together 27 experts to consider challenges affecting member countries. The meeting sought to address major global and regional trade trends affecting the Commonwealth, such as the latest developments in the Doha Round of



This new forum for Commonwealth countries intends to facilitate reviewing trends and sharing perspectives to promote a development-friendly global trading system

Negotiations; the advent of mega trading blocs; and the role of multilateral trading systems in the post-2015 development framework.

Earlier on 5 March, Professor Rahman was invited to attend a technical review workshop on Commonwealth Flagship Publication on Trade in London. The workshop focused on the conceptual design, substantive content and research approaches of the publication. Preliminary findings from some

selected background papers were shared with the participants and thematic issues that the publication must engage with were critically reviewed.

High-level event on women’s economic empowerment and sustainable development

Women’s empowerment in post-2015 framework

Dr Debapriya Bhattacharya, Chair of Southern Voice on Post-MDGs addressed the international conference on “Women’s Economic Empowerment and Sustainable Development – the Synthesis for Success,” on 2 March 2015 in Riga, Latvia.

As a panellist, the CPD Distinguished Fellow addressed issues related to strengthening the dimension of women’s economic empowerment in post-2015 framework. The panel discussion aimed to define the next steps to integrate the discussed solutions, practices and structural changes in need within the post-2015 framework.

Other panellists were Baroness Northover, Parliamentary Under Secretary



(from left) Simon Maxwell, Baroness Lindsay Northover, Martin Bille Hermann, Andris Piebalgs, Caren Grown and Debapriya Bhattacharya

of State for International Cooperation, United Kingdom; Mr Martin Bille Hermann, State Secretary for Development of Denmark; Mr Andris Piebalgs, former European Commissioner for Development, EYD2015 Goodwill Ambassador and Dr Caren Grown, Senior Director for Gender, World Bank.

The conference, organised by Latvian Ministry of Foreign Affairs, brought together 260 participants from over 40 countries, representing

EU institutions, international organisations including the UN, OECD, International Labour Organization, World Bank, as well as the private sector and NGOs.

Meetings



Lin Zhun, Editor and Reporter, Global Times China visited on 8 February 2015



Shubham Chaudhuri, Practice Manager, Macroeconomics & Fiscal Management Global Practice of World Bank visited on 3 February 2015



A team from Save the Children met CPD officials on 16 February 2015

Maritime Trade and Civilisational Linkages Non-tariff barriers impeding IORA intra-regional trade

Non-Tariff Barriers (NTBs) applied by Indian-Ocean Rim Association (IORA) countries are a major setback for enhancing intra-regional trade, noted CPD Additional Research Director Dr Khondaker Golam Moazzem.

He was addressing a session on “Regional Economic Cooperation in Trade and Investment in IORA” at the conference on “India and the Indian Ocean: Renewing the Maritime Trade & Civilisational Linkages,” during 20-22 March 2015, in Bhubaneswar, India.

The conference, organised by Institute of Social and Cultural Studies and Research and Information System for Developing Countries, provided an



(left) Khondaker Golam Moazzem addressing the conference

opportunity to analyse the Indian Ocean from multiple perspectives and rejuvenate the deep ties that bind the regional nations.

In his keynote, Dr Moazzem mentioned that IORA countries have experienced significant rise in international trade over the last decade, but the share of intra-regional trade has marginally increased.

He proposed an institutional arrangement to address and eliminate NTBs and set up a committee to acknowledge different regional initiatives on NTBs, and thereby harmonise its activities. The business community could support the committee in creating an NTB database to be used for their elimination, he added.

Research Division Report

District Budget Experience in Bangladesh: The Case of Tangail

Conducted under CPD's flagship IRBD programme, the study intended to identify weaknesses of budget preparation at the district level and explored the scope of a better functioning and participatory budget, which will be effective in reflecting the development demands from the district-level. Tangail is the first district for which a separate experimental district budget was prepared for two consecutive years. The study sought to trace the experience of Tangail and test out the abovementioned objectives facing the ground realities. The study was conducted by CPD Research Fellow Towfiqul Islam Khan and Research Associate Mostafa Amir Sabbih.

Impact of Distribution of Return towards Maintaining the Social Compliance in the Apparels Sector

CPD in association with Friedrich-Ebert-Stiftung (FES) has initiated this exploratory study to examine the options of distribution of return that can contribute to improve social compliances in the apparel supply chain. The study will explore possible linkages between distribution of margin in the apparel value chain and its likely impact on maintaining social compliance particularly at the suppliers' end. As part of the study, a sample survey has been carried out among large, small and subcontracting firms, as well as retailers and brands of apparel products. The study is led by CPD Additional Research Director Khondaker Golam Moazzem with Senior Research Associate Kishore Kumer Bashak and Research Associate Ariful Islam.

Executive Opinion Survey for the Global Competitiveness Report 2015

CPD in partnership with the World Economic Forum, Geneva is conducting the Executive Opinion Survey on business competitiveness in Bangladesh,

which, CPD has carried out since 2001. The survey data will be used in preparing the Global Competitiveness Report for 2015-16. CPD Additional Research Director Khondaker Golam Moazzem is the focal point for this survey with team members Senior Research Associate Kishore Kumer Bashak and Research Associate Meherun Nesa.

Fourth Monitoring Report on the Post-Rana Plaza Developments

By assessing the post-Rana Plaza developments during the last two years, the report will highlight progress of the commitments made by key stakeholders towards the Rana Plaza victims and progress of restructuring and reforms in the RMG sector. Provided with information from different national and international organisations, the report will be released through a national dialogue on 21 April this year. It is important to note that the three monitoring reports on post-Rana Plaza developments published earlier were widely used as reference documents both home and abroad. The study is led by CPD Additional Research Director Khondaker Golam Moazzem with research support from Research Associate Ariful Islam.

Understanding Efficiency and Distributional Equality of Subsidy in Bangladesh

By providing a comprehensive picture of subsidy expenditures in Bangladesh, this study attempts to analyse subsidy expenditure at the macro level, its relevance and effectiveness as a fiscal tool and makes recommendations to reform subsidy. The study provides a theoretical framework to be able to make preliminary assessment about efficiency and desired distributional impacts of subsidy in Bangladesh. The research report is authored by CPD Visiting Fellow Kaniz Siddique.

(Continued on page 8) Local Level Dialogue in Tangail

remained relatively unattended.

Moderator of the dialogue, CPD Distinguished Fellow Dr Debapriya Bhattacharya observed that greater Tangail's socio-economic development was rather mixed due to uneven development across different areas.

He also observed that the district council's legal framework and function should be reviewed for implementing the district budget, which also required strengthening the local government to mobilise local funds. Also, a local government financing commission could ensure quality of public expenditure to determine appropriate financial allocation according to local demand.

Dr Bhattacharya added that the district budget needed clear outline for revenue generation from district level and it must address environmental vulnerability, hard-to-reach areas, marginalised people, women and children. The government should ensure proper collection of local tax and VAT.

Special Guest Professor Mirza Mohammad Abdul Momen, Former Chairman of Government Saadat College urged incentives for local crafts to develop them into exportable goods for which the government should facilitate import of raw materials for Tangail sarees from India.

Guest of Honour Former Ambassador Mr Anwarul Islam Khan brought to attention the declining quality of education in Tangail. He felt that the municipality needed to make the city more habitable and budgeting should pay attention to its huge tourism potential.



A section of the participants

Over 50 people from different walks participated in the floor discussion, underscoring issues such as decentralisation of district budget and involving gender dimension; strengthening of Tangail district council.

Other issues emerging from the discussion were improvement of local roads, sanitation, markets, railway and highway communication to the capital; vocational training for huge young population; Tangail's poultry sector; cold storage to preserve local produce; industrialisation without hampering agricultural land; embankment for river erosion and lifting sluiceway from the dead Louhojong river; facilitating local healthcare, particularly for women, children and isolated areas; etc.



CPD Professionals in International Fora

Rehman Sobhan, Chairman

- Presented “Existing Models of SOE Governance Lessons from the Bangladesh Experience” at a workshop on *Performance Evaluation and Management of SOEs*, organised by Ministry of Heavy Industries and Public Enterprises, during 14-15 January 2015 in New Delhi, India.
- Attended a roundtable discussion on *Intersectional Inequality: Perspectives from South Asia*, organised by UNDP on 9 February 2015 in New Delhi, India.

Rehman Sobhan and **Rounaq Jahan**, Distinguished Fellow

- Attended the 12th Kolkata Group Workshop, organised by Pratichi India Trust, Harvard Global Equity Initiative and UNICEF India, during 5-7 February 2015 in Kolkata, India.

Mustafizur Rahman, Executive Director

- Presented “Challenges in Going Forward towards a Data Revolution” at the forum *Building Capacity for African Development Data*, hosted by Partnership for African Social and Governance Research (PASGR), during 19-20 January 2015 in Nairobi, Kenya.
- Was a Panellist at *Think Tank Initiative Exchange 2015: Research Quality, Outreach and Impact*, during 18-20 February 2015 in Istanbul, Turkey.
- Attended a technical review workshop on Commonwealth Flagship Publication on Trade, on 5 March 2015 in London, UK.
- Presented “Bangladesh’s breaking into Manufacturing and Making Progress Graduation from LDCs” and was a respondent on “Multilateral Trade Issues for the Commonwealth” at a consultative meeting of Commonwealth Expert Group on Trade (CEGT), during 25-26 March 2015 in Golden Sands, Malta.
- Attended *2015 Global Forum on Development: Post-2015 Financing for Sustainable Development*, during 30 March - 1 April 2015 in Paris, France.

Debapriya Bhattacharya, Distinguished Fellow

- Presented “Towards a UN Declaration in the Context of Post-2015 Development Agenda” at the first intergovernmental negotiations on the Post-2015 Development Agenda, facilitated by UN-NGLS and UN DESADSD at UN Headquarters during 19 -21 January 2015 in New York, USA.
- Attended a meeting on *Financing Key Priorities of the Data Revolution*, convened by UN and World Bank on 22 January 2015 in New York, USA.
- Addressed a session on “What’s the political deal and outcomes for Addis” at *LDC Retreat on Financing and other Means of Implementation for Post-2015*, co-hosted by Permanent Mission of Benin and UNF on 23 January 2015 in New York, USA.
- Moderated the plenary session “Research Quality for Think Tanks” at the *Think Tank Initiative Exchange 2015: Research Quality, Outreach and Impact* during 18-20 February 2015 in Istanbul, Turkey.
- Was a discussant on “Post-2015 Context and ‘End Game’: Perspectives for a Global Partnership” at the open forum on *Beyond Aid: Innovative Governance, Financing and Partnerships for the Post-2015 Agenda*,” organised by Wilton Park during 25-27 February 2015 in London, UK.
- Was a panellist on “Strengthening the Dimension of Women’s Economic Empowerment in Post-2015 framework” at the High-Level Event on *Post-2015 and Beijing+20: Women’s Economic Empowerment and Sustainable Development*, organised by Ministry of Foreign Affairs, European Commission and Latvian government on 2 March 2015 in Riga, Latvia.

- Was a speaker on “Leaving No One Behind: Tackling Inequalities in the Post-2015 Development Agenda,” organised by Permanent Mission of the Kingdom of the Netherlands, ODI and UNF on 19 March 2015 in New York, USA.
- Attended a series of meetings with UNESCAP Statistics Division during 25-27 March 2015, in Bangkok, Thailand.
- Participated at *2015 Global Forum on Development: Post-2015 Financing for Sustainable Development*, during 30 March - 1 April 2015 at OECD Conference Centre in Paris, France, as part of which he
 - Presented keynote on “Making Countries Fit in Data Use: What is really needed?” at the event *Making Countries Fit for the Post-2015 Development Agenda*, organised by PARIS21
 - Moderated the OECD session on “Financing the Post 2015 Sustainable Development Goals in Fragile and Least Developed Countries”
 - Addressed the presentation “Financing and other Means of Implementation in a Post-2015 Context”
 - Was a panellist at “Needs & Challenges in Financing for Development”

Anisatul Fatema Yousuf, Director, Dialogue and Communication, **Khaleda Akhter** and **Kishore Kumer Basak**, Senior Research Associates

- Joined the Bangladesh delegation to *12th Bangladesh, China, India and Myanmar (BCIM) Forum on Cooperation for the Development of the BCIM*, hosted by Government of the Republic of the Union of Myanmar during 9-11 February 2015 in Yangon, Myanmar.

Khondaker Golam Moazzem, Additional Research Director

- Participated at the seminar *21st Century Maritime Silk Road Initiative*, hosted by State Council Information Office during 11-12 February 2015, in Quanzhou, Fujian Province, China.
- Presented “Beyond Tariff: Protectionism through Non-Tariff Barriers in IORA Countries” at the international conference titled *India and The Indian Ocean: Renewing the Maritime Trade & Civilisational Linkages*, organised by Institute of Social and Cultural Studies and RIS during 20-22 March 2015 in Bhubaneswar, India.

Khaleda Akhter

- Attended a seminar on *Assessment of India-Bangladesh Trade Potentiality*, organised by CUTS International on 18 March 2015, in New Delhi, India.

Research Conference on Southern Voice on Post-MDG International Development Goals and Targets, organised by Southern Voice on Post-MDGs and TTI during 16-17 February 2015 in Istanbul, Turkey, where

- Mustafizur Rahman** chaired a session on “Varying Perspectives on Global Development Agenda”
- Debapriya Bhattacharya** conducted the curtain raising session and provided closing remarks
- Fahmida Khatun**, Research Director, presented “CO₂ Emissions, Energy Consumption, Deforestation and Agricultural Income in LDCs: Lessons for Post-2015 Development Agenda” at the session “Tackling Inequality and Gender Dimensions”
- Towfiqul Islam Khan**, Research Fellow, presented “Illicit Financial Flow in view of Financing the Post-2015 Development Agenda” at the session on “Options for Financing Sustainable Development”
- Mahenaw Ummul Wara**, Research Associate, attended various sessions

DFID, ESRC and Institute for the Study of Labour (IZA), on 2 March 2015.

Debapriya Bhattacharya and **Rounaq Jahan**, Distinguished Fellows

- Attended a conference on *Gender Diversity and Development*, organised by Dhaka University Department of Women and Gender Studies, during 27-29 March 2015.

Khondaker Golam Moazzem, Additional Research Director

- Presented keynote at a workshop on *ৱেবকোম, এটিকিউএমএল ডেবাপ্রিয়া* organised by Bangladesh Economic Association, on 9 January 2015.
- Presented keynote on “Canada-Bangladesh Bilateral Trade: Exploring Possible Impact of Bangladesh’s Graduation from an LDC,” at the seminar *Canada-Bangladesh Bilateral Trade*, on 14 February 2015.

Towfiqul Islam Khan, Research Fellow

- Addressed the 8th strategic meeting on *Capacity for Research and Advocacy for Fair taxation project*, organised by SUPRO and Oxfam, on 10 March 2015.

Khaleda Akhter, Senior Research Associate

- Attended the workshop *Trade and Poverty: Analysis of the Impact of Trade and Trade-Related Policies on Household Welfare*, organised by UNCTAD Virtual Institute and Jagannath University during 29 March - 2 April 2015.

Farzana Sehrin, Research Associate

- Attended a workshop on *Outcome of the Bali Ministerial with particular focus on LDCs decision & Trade Facilitation Agreement*, organised by WTO and Bangladesh Government, during 10-11 February 2015.

CPD Professionals in National Fora

Mustafizur Rahman, Executive Director

- Attended *Monetary Policy Preparation Meeting* of Bangladesh Bank on 10 January 2015.
- Chaired a session on “Industrial pollution related implementation problems” at the conference on *Environment Policies and Acts Implementation Problem*, organised by Bangladesh Poribesh Andolon and Bangladesh Environment Network, on 10 January 2015.
- Made a presentation on “Developments in the WTO: Addressing the Emerging Challenges to Safeguard Bangladesh’s Interests” at Fourth Executive Development Seminar on *Future Role of International Trade in Ensuring Macroeconomic Stability: Bangladesh Perspective*, organised by Bangladesh Bank, on 13 January 2015.
- Was a Special Guest at the seminar *Greening the Garments Accessories and Packaging Industries*, organised by Bangladesh Garments Accessories and Packaging Manufacturer and Exporters Association, on 17 January 2015.
- Moderated a roundtable on *Operationalization of WTO LDCs Service Waiver: Bali Decision and its Implementation*, organised by BFTI, on 25 January 2015.
- Addressed the discussion *Access to Finance: Environmental Sustainability in the Textile Sector*, organised by PRI, on 14 February 2015.
- Was a panellist at a workshop on *Labor Markets and Growth*, organised by BIGD, RAND Corporation, USA and University of Sussex with support from

Local Level Dialogue in Tangail District budget should address local necessities

Although a good tool for local development, district budget is yet to deliver desired impact at the local level, observed discussants at a CPD dialogue on Tangail district budget.

Policymakers were urged to maintain close coordination with district-level administration for effective development measures and government was urged to revise the methodology of formulating district budget and improve it according to demands of the local people.

The dialogue titled টাঙ্গাইল জেলা বাজেট ও প্রাসঙ্গিক বিষয়, was organised at BURO Bangladesh Auditorium, Tangail on 14 March 2015.

CPD Executive Director Professor Mustafizur Rahman felt that this discussion aimed to convey demands of the local people to policymakers and



(left) Towfiqul Islam Khan, Mustafizur Rahman, Fazlur Rahman Khan Faruk, Debapriya Bhattacharya, Mirza Mohammad Abdul Momen, Anwarul Islam Khan, Sekender Hayat

Islam Khan showed that Tangail excelled in reducing poverty in comparison to national average, however, extreme poverty level remained above high. As a district, Tangail mostly received budgetary allocation towards roads and communication while other areas

that reflections from the grassroots level would also help CPD in generating ideas on how best the budget could be formulated.

Chief Guest Mr Fazlur Rahman Khan Faruk, Administrator of Tangail District Council, observed that parliamentarians should place justified demands before the government for their constituencies to help improve people's lives.

The keynote by CPD Research Fellow Mr Towfiqul

(Continued on page 6)

Publications

Books



Protecting Bangladesh's Geographical Indication Interests: The Case of Jamdani. Dhaka: CPD and National Crafts Council of Bangladesh (NCCB).



সমসাময়িক উন্নয়ন চিন্তা। ২০১৪ সালে মিডিয়াতে সিপিডি'র নির্বাচিত মন্তব্যসমূহ. Dhaka: CPD

Nesa, M. 2015. *Economic Empowerment of Women through Entrepreneurship: A Study on Women SME Entrepreneurs in Bangladesh.* Saarbrücken: Dictus Publication

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- Moazzem, K.G. and Basak, K.K. 2015. Bangladesh-Canada Bilateral Trade: Exploring Possible Impact of Bangladesh's Graduation from an LDC. *CanCham Review*. Vol: IX, March 2015, pp. 12-18

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- Moazzem, K.G. 2015. "Enhancing FDI Flow in South Asia: Exploring a Framework for Regional Cooperation." Published in SARCist in March 2015. Available at: <http://thesarcist.org/Opinion/90>

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- Paper 19:** Development Policy Failure in Pakistan: Institutional and Governance Challenges *Shehryar Khan Toru*
- Paper 20:** CO2 Emissions, Energy Consumption, Deforestation and Agricultural Income in LDCs: Lessons for Post-2015 Development Agenda *Fahmida Khatun and Muhammad Al Amin*

- Paper 21:** Social Institutions and Gender Inequality in Fragile States: Are They Relevant for the Post-MDG Debate? *Boris Branisa and Carolina Cardona*
- Paper 22:** Unpacking the Middle: A Class-based Analysis of the Labour Market in Sri Lanka *Vagisha Gunasekara*
- Paper 23:** Alternatives for Development or Alternatives to Development? *Mireya Anabell Villacís Taco, María Fernanda Mora Garces and Rodrigo López*
- Paper 24:** MIND THE DATA GAP: Evaluating MDG's Contribution to the Improvement of Statistical Capacities in Bolivia, 2000-2013 *Werner Hernani-Limarino, Wilson Jimenez and Katerine Saravia*
- Paper 25:** Illicit Financial Flow in view of Financing the Post-2015 Development Agenda *Towfiqul Islam Khan and Mashfiqul Ibne Akbar*
- Paper 26:** Can Foreign Portfolio Investment Contribute to Post-2015 Development Goals in Asia? *Pradeep Agrawal*
- Paper 27:** Growth within Natural Limits: The Debates, Propositions and Possibilities *Karin Fernando and Prasanthi Gunawardena*

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