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TALKING POINTS FROM THE EDITOR

Dear Readers,

Welcome to this inaugural issue of the *BDI Development Newsletter* - a new publication dedicated to covering ideas, stories, data, literature, and happenings related to the development of Bangladesh. Why this publication? Why now?

The goal is to enhance and enrich the conversations and the eco-system on the progress and prosperity of Bangladesh. We hope to attain these goals through this newsletter, which will inform as well as connect academics with practitioners working in the field, policymakers in government, and the international development community.

In other words, we believe that despite a number of quality publications, there is space for a publication that can help bridge several gaps - between academic researchers and policymakers; between researchers and practitioners in the field; between the donor community and those in the trenches, and importantly the gap between specialists and citizens.

Bangladesh Development Initiative (BDI) brings out the *Journal of Bangladesh Studies (JBS)*, a peer-reviewed publication. I hope the *Newsletter* will complement the JBS to enhance our efforts to strengthen research on development of Bangladesh. The intent is to start the *Newsletter* as an “occasional” publication. I am grateful to my BDI colleagues for their support.

Importantly, besides simply informing, over time as technology permits, we hope to provide a forum for conversations and exchange of ideas. To keep the materials fresh, we will focus on areas not covered in an academic publication such as the JBS. For example, we will work to include in each issue an interview with a development scholar or practitioner who has contributed to complex problems such as poverty, institution building, and development.

To commence this project, I first sought support from the BDI Executive Committee. Once approved, I started working on the inaugural issue. Fortunately, I was able to interview Professor Nurul Islam, the doyen of Bangladesh economic planning, who graciously agreed to a phone interview.

We expect to continue the “Interview with Development Leaders” series to add a human element to the development dialogue. I will love to hear from you. I can be reached at, muquddus@pvamu.edu. Please share this *Newsletter* with others in your professional circle and with interested citizens. We will work to implement appropriate technology on the BDI homepage to allow readers to share ideas and thoughts on the materials in the *Newsletter*.

Enjoy and thank you!

Munir Quddus

Editor, *BDI Development Newsletter*

November 20, 2019

A CONVERSATION WITH PROFESSOR NURUL ISLAM

October 19, 2019

*Professor Nurul Islam is widely recognized as one of the world's leading development scholars and practitioners. He received his B.A. and an M.A. in economics from Dhaka University, and a Ph.D. in economics from Harvard University. His publications include - **Development Planning in Bangladesh: A Study in Political Economy**, 1979 reprinted in 1993; **Making of a Nation: Bangladesh — An Economist's Tale**, 2003; and **An Odyssey: The Journey of My Life**, 2018. He joined IFPRI as a senior policy adviser to the Director General in 1987, and is presently a research fellow emeritus. Throughout his long and distinguished career as an economist, researcher, social scientist and public intellectual, Professor Islam has worked tirelessly to uphold the welfare of the people of Bangladesh. His role as the first Deputy Chairman of the Planning Commission of an independent Bangladesh was critical and historic. He led a distinguished cohort of economists and planners to rebuild the nation after the massive destruction during the liberation war. For his original contributions to theoretical and applied economics, as well as his impact on economic policymaking, Professor Islam has received a number of awards - The Bangladesh Bank Award (2009), BDI Lifetime Achievement Award (2015) and recently (2019) AEDSB passed a resolution honoring Professor Islam.*

I first spoke with Professor Islam on the phone on October 19, 2019. We spoke again after he had an opportunity to edit the transcript. I received the most recent version from him on November 3, 2019. For clarity and space, I have edited the final version. Munir Quddus

1. What led you to the study of economics and in particular, development economics?

For higher studies, I went to Harvard to study economics. When I returned home, I had an offer from the Pakistan Planning Commission, which I turned down, since I wanted to teach and conduct research. I accepted the offer from Dhaka University, Department of Economics, as an Associate Professor. I had to negotiate for the higher rank because in those days it was very unusual for a new PhD to start at the rank of Associate Professor. The VC of Dhaka University at the time was an Englishman who took up my cause, and essentially overrode the committee. I was in a strong position to negotiate, since I had other offers including one from Harvard, but I returned to Bangladesh because I wanted to work in the country.

For health reasons, my early education was somewhat challenging. I had very poor eyesight and could barely read. My father had arranged for treatment at Calcutta. The eye doctor suggested a 2-3 years break from studies to give my eyes some rest. However, my father, an educator, decided that I should rest my eyes without taking a break from my studies. Therefore, he found a “reader” for me, someone who would read the textbook and notes to me.

These early health challenges affected my choice for higher studies. Because of poor eyesight, I had to rule out the study of sciences, since I could not be in a lab environment. My choice was limited to Arts, but the study of accounting had some allure. Chartered Accountants made a very good living and that was attractive as a profession. However, I decided to study economics. There was no plan in the early years to go all the way for a PhD and to become a professor. This was a gradual process. Life is full of uncertainties, and unexpected turn of events have influenced my life and career.

When I returned to Bangladesh from Harvard, I asked myself where I could make a difference. What is my comparative advantage? I decided that given the resource constraints, I would not be able to compete with my contemporaries working in the West. I realized that my best comparative advantage was to work on local and regional economic issues. Therefore, I focused my early research on “national” development issues. Most of my work was on applied problems, not on theoretical or conceptual issues. I studied and wrote a paper on the concept of “surplus labor.” How do we measure it, and what policies can we devise to take advantage of this? This paper was published in an international journal. I also wrote on “balanced growth,” an important issue in Development and Planning at the time. This paper was analytical, and was published in the *Indian Economic Journal*. I became interested in Development and Planning issues somewhat later. Early in my research, I studied “import-substitution” and related issues. I addressed this subject in my lecture at UC Berkeley while accepting the BDI Lifetime Achievement Award. [The lecture was published by the BIDS in a special volume].

By the way, when I served as the Director, the Pakistan Institute of Development Economics (PIDE) Journal had become one of the most prestigious journals in the developing world. Professors and economists from Yale and other universities around the world were associated with PIDE and regularly published their research in the PIDE journal.

2. Please share a little on your early education and intellectual history.

In those years, many bright students would sit for the Civil Service of Pakistan (CSP) exam, and if successful, would become civil servants. However, my father was not supportive of this career path. He believed that civil servants work for others and this cramps their personalities and intellect. He felt that the Civil Servants often develop a servile attitude. The profession is somewhat restrictive of independent thinking, and he felt this is not good for the human spirit. He was himself a member of the Bengal Educational Service in the British Colonial administration. He believed the best career for bright young people at the time was to become a teacher and scholar, which allows one to teach, conduct research and write. He rather influenced me on this, but I also liked his guidance. He was after all among the earliest graduates from Dhaka University and one of the best Muslim students in his times.

On the eye issue, after starting my studies at Presidency College, Calcutta, I was also under treatment for my eye condition. Miraculously, the treatment worked. For many years I did not suffer from any serious health issues, until recently at old age. Now the doctors have diagnosed it as Age-related Macular Degeneration and for treatment, for the past 10 years, I have taken monthly injections.

This is another example of my belief that life is full of uncertainties and accidental developments. In my own professional life, one could not have been anticipated many major changes. My move from a faculty position in Dhaka University to become the first native-born Director of PIDE was unexpected. At the time the Institute was run mostly by economists from overseas, since the institute was financed by a large grant from the Ford Foundation and administered by Yale University. In the early sixties, Ford foundation decided that it is time for PIDE to be led by a Pakistani national, for the grant support to continue. Given the terms, no Pakistani economist of an international reputation was available or interested in this leadership

position. The leadership at Yale University received a request from the Government of Pakistan to find an economist of international standing who is a Pakistani national, and whom they could persuade to accept the position by offering the necessary incentives. Professor Gustav Ranis of Yale University contacted me about the opportunity. I agreed to accept the offer provided the Government of Pakistan agreed to my terms – I would be granted a leave from Dhaka University for three years with an option to return to my university job any time I wanted to come back. Moreover, I would have complete freedom from the Board in the appointment of staff as well as the selection of research projects. The Ford Foundation grant provided for scholarships for the research staff to send abroad for higher studies and for the appointment of foreign economists to work as research advisers at the Institute.

Before moving to become the Director of PIDE, I served as the Chair of the Department of Economics at Dhaka University from 1960 to 1964.

3. What ideas/actions/writings would you consider your most important contribution to the development of Bangladesh?

Of course, my work as the Chairman of the first Planning Commission of Bangladesh is in my view my most contribution to the nation. This was not accidental as I had devoted my professional life to the study of economics and as Director of PIDE, had built up the Institute and conducted research in many aspects of development with policy implications. My success in moving the PIDE headquarters from Karachi to Dhaka was something unprecedented. I am proud of that success. In my role in leading the first Planning Commission of Bangladesh, my greatest challenge was to communicate with politicians, many of them had little understanding of economic theory and policy. How do you convince someone with little knowledge of economics that subsidies in many cases are neither efficient nor equitable? This is especially difficult for those who lack an understanding of the interdependence of sectors in the economy. It was a very challenging task, an excruciating experience.

4. Please discuss your most recent book, “India, Pakistan, Bangladesh: A Primer on Political History.”

The idea for this book came from trying to answer my granddaughter’s questions about political history of the sub-continent and South Asia. As a non-specialist, I wrote this book for the general reader, especially the younger generation who has not experienced firsthand this history. Churchill supposedly said of India, “India was a concept, not a country.” Churchill was criticized for saying this, but there is an element of truth in his statement. If you have a nation, where major sections of the voters find themselves divided by “unalterable characteristics” such as the skin color or one’s religion or the color of eyes - you do not have conditions for a stable electoral democracy. To change one’s party affiliation, one cannot change one’s faith. India has a permanent Hindu majority, and Pakistan has a permanent Muslim majority. There are no incentives for religious-based political parties on either side to compromise. One can have political coalitions, but they are not stable or sustainable. For example, during the Second World War, Churchill was head of a coalition government in England. When the war ended, voters promptly threw him out of the Prime Minister’s Office. This shows coalition governments are not always sustainable. In such a setting, the only path out of political stalemate is to decentralize

the government so that most of the power resides with the provincial and state level governments. After the Nigerian-Biafra civil war (1967-70), the military took over and invited experts from across the world to attend a conference to find a solution to their problem between North and South Nigeria that led to the war. Because of my experience relating to economic relations and politics of power sharing between East and West Pakistan, I attended the conference, where I had an opportunity to learn from others, and think through some of these issues.

5. Are you optimistic about the future of Bangladesh?

Yes. How do you project into the future? We base our predictions on “past experience,” and future expected developments. In recent years, Bangladesh has done very well - I don't see any reason which will disrupt these positive trends, not just with respect to economic growth, but also social and human development. Why has Bangladesh done as well? My own theory is that the people of Bangladesh are extremely entrepreneurial, and respond effectively to challenges they face in economic and social sphere. The migration of Bangladeshis abroad in search of income and employment opportunities is a testament to this entrepreneurial spirit. This is also reflected in the phenomenal increase in a wide variety of non-farm activities in the rural and semi-urban areas in Bangladesh. The non-governmental organizations (NGOs) have played a very effective role in providing a wide variety of economic and social services, leading the way in the developing world. The farmers in Bangladesh, faced with very high man-land ratio, greatly increased agricultural productivity by adopting by high yielding technology thus sustaining growth and achieving self-sufficiency in rice in normal times. In the field of large-scale manufacturing, Bangladesh has developed a highly competitive garment industry even though at the low-end of the industry. Bangladesh is the second largest exporter in the world, next only to China. However, this industry received support from the government for many years with heavy direct and indirect subsidies, which implies that there was discrimination against other industries that may have discouraged diversification of exports.

The government has facilitated and supplemented the role of private enterprise by ensuring most importantly macroeconomic stability and by investing in essential infrastructure including adequate and stable supply of power. Bangladesh, by the way, has the highest density or mileage of road per capita in the developing world.

6. Taking a long-term view, over the next 25 years, what challenges do you anticipate? What is the biggest challenge Bangladesh should prepare for?

One important challenge is the lack of high-level technical and managerial capabilities in the labor force that is necessary to implement sound policies. This is a very important challenge for development- to create a cadre of leaders who can draft policies and administer these efficiently. Bad governance - corruption and mismanagement - are important hurdles for development and growth. These can become a serious impediment. Another potential challenge that could derail growth and development is over-centralization. You cannot solve the problem of 170 million people from the capital city - Dhaka. For greater efficiency, we must de-centralize. However, there is political resistance and reluctance to implement true reform in this area

7. Amartya Sen and others have praised Bangladesh for its success in social indicators and broad-based development. What factors do you believe contributed to this success?

Both Amartya Sen and Kaushik Basu have said this publicly, and yes, this is true. However, I believe our biggest challenge and potential hurdle for long-term development is education. I have serious concerns about the quality and standards of education in Bangladesh today, including university education.

8. In your view, what has prevented Bangladesh from doing even better over the past 20 years?

As I just mentioned, I am very concerned about the quality of education and lowering of the standards for getting a degree. This becomes a circular problem, and certainly one that will affect long-term development. For instance, when colleges and universities lower their standards for a degree, we produce teachers with poor knowledge and skills, who then do a poor job in teaching young students in elementary and secondary schools. It is like a pyramid - if the top is poor, the entire structure is adversely affected and this creates cumulative negative effects on development.

9. If you were in charge of development policymaking today, what policy would you first recommend for implementation?

An overhaul of the education system to ensure high standards will be on top of my list. The education sector should be entirely free of politics, and based largely on merit. Today we are far from this model with the hiring and selection of faculty, deans and VCs being totally politicized. This is a disaster for the nation and will negatively impact long-term development. Note that in India, there are no student wings of the Congress Party or BJP, in the same way as we have in Bangladesh. Yes, student organizations with different policies and persuasions exist, but they are not associated with and have no organization link to political parties.

10. What are your views on the economic system that will deliver the best results for Bangladesh?

The dichotomy between socialism and capitalism is irrelevant today in the 21st century. This is the age of the mixed economy, where the market and state both play important roles in order to deliver the best outcome for the economy.

Thank you for the interview.

<https://www.thedailystar.net/opinion/education/news/perspectives-the-uk-improving-research-universities-bangladesh-1760944>

Perspectives from the UK: Improving research in universities in Bangladesh

David Lewis



In an article published by *The Daily Star* on 26 April, 2019, Professor Syed Saad Andaleeb shed light on the lack of attention given to research in many public and private universities in Bangladesh. He makes a compelling case for the need to strengthen university-based research, and the importance of building the capacity of what he calls “research university” sector in the country. Having visited Bangladesh and its universities many times during the past three decades, I wanted to join the discussion and offer my perspectives from the UK.

[Click here to read the rest of this article...](#)

David Lewis is a professor of social policy and development, London School of Economics and Political Science, UK

<https://www.thedailystar.net/opinion/the-grudging-urbanist/news/the-calculus-heritage-preservation-1761766>



The calculus of heritage preservation

Adnan Morshed

The clandestine demolition of Jahaj Bari in Old Dhaka on the night of Eid-ul-Fitr reveals the precarious state of historic preservation in Bangladesh. Such a senseless act of destruction—a kind of cultural violence—was possible because of a host of interrelated reasons. Among them are: a lack of clear policy guidelines for the preservation of “historic” buildings in private hands or *waqf* custodianship; a policy marginality of the very idea of historic preservation within government bureaucracies; pervasive lack of knowledge of heritage buildings (a newspaper journalist called Jahaj Bari an “ancient” building; there is no consensus as to when exactly the building was built); absence of broad public heritage awareness, further weakened by a disjointed culture of sentimental attitude toward preservation, often falsely isolated from the economics of preservation.

[Click here to read the rest of this article...](#)

Adnan Zillur Morshed is an architect, architectural historian, and urbanist. He teaches at the Catholic University of America in Washington, and serves as executive director of the Centre of Inclusive Architecture and Urbanism at BRAC University. He is an alumnus of Faujdarhat Cadet College, BUET, and MIT. He can be reached at amorshed@bracu.ac.bd.

<https://www.thedailystar.net/opinion/perspective/news/marching-towards-economic-and-social-progress-1730449>



Marching towards economic and social progress: But first, we need to ask some tough questions

Munir Quddus

By all accounts, Bangladesh has done exceptionally well over the past two decades. This is true for both economic and social progress, where the internationally accepted indicators have placed Bangladesh at the forefront of nations in the developing world in terms of reducing deep poverty and improving the lives of tens of millions of its citizens. This is especially true for its positive impact on women, particularly in terms of education for girls, women's employment, and improving the quality of their lives.

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This article draws from the author's welcome remarks at the recently concluded International Conference on Bangladesh organized by Bangladesh Development Initiative (BDI) at Yale University, in association with the Yale MacMillan Center.

<https://www.thedailystar.net/in-focus/news/blind-spots-and-biases-bangladesh-studies-1754635>

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Blind spots and biases in Bangladesh Studies

Willem Van Schendel



Is there an academic field of Bangladesh studies? Let us limit ourselves to the social sciences and the humanities. Clearly, in these domains a lot of research activity is going on—and a lot more than used to be the case. Our understanding of the huge jumble of people that we call Bangladeshi society is increasing. But Bangladesh Studies is still a relatively disjointed and poorly institutionalised field of knowledge production. Therefore, anyone wishing to say something about Bangladesh studies is immediately faced with his or her limitations. Each of us can only survey bits and pieces. This certainly goes for me, and what I am going to do in this short note is give you my version, from my particular and quite limited vantage point—the view from my private helicopter.

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Dr. Willem Van Schendel is a historian and anthropologist at the University of Amsterdam, The Netherlands. He has authored several books on Bangladesh including *A history of Bangladesh* (Cambridge University Press: 2009), *Reviving a Rural Industry: Silk Producers and Officials in India and Bangladesh, 1880s to 1980s* (Manohar: 1996) and *Global Blue: Indigo and Espionage in Colonial Bengal* (UPL: 2006; Co-author: Pierre Paul Darrac). This article was first published in the 4th Issue of South Asia Chronicle in 2014.