



DScE

**Dhaka School of Economics**  
(Constituent Institution of the University of Dhaka)

# Quarterly Newsletter

Special Issue : April-September 2017

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## World Environment Day 2017 Celebration at DScE!

Dhaka School of Economics (DScE), in association with COAST Trust and Bangladesh Climate Change Journalists Forum (BCCJF) celebrated the *World Environment Day 2017* on 5<sup>th</sup> June 2017 in its campus with this year's theme "*Connect With Nature*". The celebration was aimed to generate awareness among the students and all associated with DScE by organizing a number of environment-centric events like environmental quiz and poster competitions for the students, expert-level discussion on this year's theme, plantation of trees in addition to a rally participated by the students, faculty members and officials of DScE and senior officials from the co-organizers.



The festivity of the programme started with an environmental quiz competition. A total of six teams participated in the competition. Under the anchorship of Dr. Salma Sultan, an Assistant Professor of Environmental Economics programme of DScE, two senior faculty members of DScE, Professor Dr. Muhammad Mahboob Ali, Dr. Narayan Chandra Sinha and Mr. Kawser Rahman, President of BCCJF acted as judges to the event. A panel of three judges: Mr. Muhammad Selim, Professor Dr. Mahboob Ali and Mr. Kawser Rahman, was formed to judge the day's most exciting event, the Poster Competition. A total of fourteen posters were prepared and exhibited by the students. Dr. Qazi Kholiquzzaman Ahmad, Chairman of DScE's Governing Council and its Honourary Director inaugurated the day's rally with releasing balloons and festoons. Besides students, faculty members and administrative staff of DScE, the rally was also participated by other dignitaries from COAST Trust and BCCJF. On this occasion, a tree was planted by Dr. Ahmad to mark DScE's firm commitment to conserve the nature. The celebration of the day ended with a special discussion on this year's theme: '*connect with nature*'. The discussion programme was chaired by Dr. Qazi Kholiquzzaman Ahmad, while Mr. Kawser Rahman was a Special Guest. Dr. Ahmad asked the students to get them prepared for taking the responsibilities of tomorrow's Bangladesh, while Mr. Rahman emphasized on the need to raise large-scale awareness on environmental challenges for minimizing their scales and impacts. Finally, prizes were distributed among the winners of different competitions.

The overall programme was coordinated by Dr. A K M Nazrul Islam, Associate Professor and Coordinator of the Environmental Economics Unit of DScE.

## Budget FY2017-18 and Sectoral Issues

Dr. Mahfuz Kabir<sup>1</sup>

Over the last couple of years, the national budget of Bangladesh is being prepared much more predictably than what it used to be in a decade back. It has been due mainly to three key documents, *viz.* Medium Term Budgetary Framework (MTBF), Medium Term Macroeconomic Framework (MTMF) and Medium Term Revenue Framework (MTRF). National and sectoral plans and priorities, such as the Perspective Plan (2010-2021) (prepared under the 'Vision 2021'), the Seventh Five Year Plan (2016-2020) (7FYP), the *Public Moneys and Budget Management Act, 2009* and the *National Social Security Strategy, 2015* also influence heavily to shape up the size, tone and outfit of national budget. Technically speaking, the budget 2017-18 drafted projections for the following two fiscal years (2018-19 and 2019-20) are prepared in the medium-term framework documents based on revenue target and the possible expenditure limit, known as "resource envelope". The total proposed non-development and development budget allocation (FY2017-18) and projections (FY2018-19 and 2019-20) are also confined within the suggested expenditure limits.

There are some key assumptions of the expenditure limit in this context. These are:

- a) Expenditure growth must be consistent with Gross Domestic Product (GDP) growth so as to maintain continuation of the activities run by various ministries/departments and other directorates.
- b) The ministries/departments and other directorates can achieve the medium term strategic goals and objectives, government's policies and priorities of the 7FYP and the Perspective Plan.
- c) Increase poverty-reducing allocation, and improve the quality and quantity of service to poor people.
- d) Ensure optimum utilization of budgetary allocation by the ministries/departments and other directorates.

Beside expenditure, the expected revenue for the FY2017-18 and its projections for FY2018-19 and 2019-20 are based on the revised budget of FY2016-17. A thumb rule for this preparation has been to make at least 12 per cent growth for the projected years, for ministries/departments and directorates. It also includes upward revision of the items in the estimates. Nevertheless, a fundamental consideration of the Annual Development Programmes (ADPs) and overall development spending for FY2017-18 was that project-wise allocation must not exceed the total expenditure limit for respective ministry/department and directorate, including foreign-aided projects, and no extra money is allocated beyond the limit.

As the title "Bangladesh on Development Highway" rightly indicates, budget for the FY2017-18 is prepared in the context of over-emphasizing highways, roads and bridges. It indeed aims at pushing an aggressive trend of growth further, which primarily requires implementing mega-communication infrastructures (*e.g.*, the Padma Bridge), power projects (Rooppur and Rampal), preparing special economic zones (SEZs), and attaining macroeconomic ground for attracting local and foreign investment to create "two million jobs" per year. Poverty eradication seems to remain its secondary objective, although 3.77 crore people still remain under national poverty line

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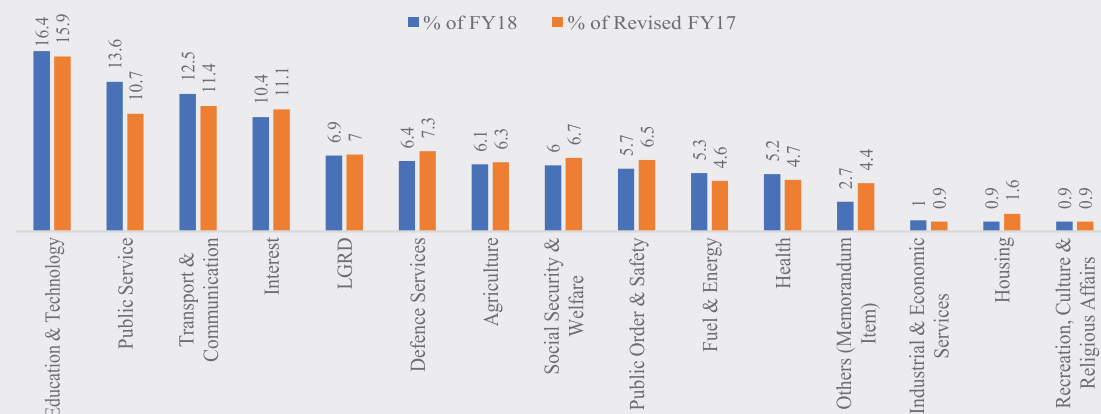
and about 7 crore people under multi-dimensional poverty line. The budget for FY2017-18 perhaps assumes that mega-projects, which may stipulate 7.4 per cent economic growth and expanding private businesses, will automatically generate downward pressure on poverty.

Total planned expenditure of Tk.400,266 is 18 per cent of projected GDP of the FY2017-18, which is significantly higher than that of the revised budget for FY2016-17. However, implementing the planned outlay was considered to be a big challenge, which can readily be observed from 6.9 per cent downward revision of the total expenditure at the end of the fiscal year from the proposed budget of FY2016-17 (Table 1). Still the total planned spending has increased by 26.2 per cent, which raises question of such a massively expansion in fiscal policy without notable improvement in the implementation capacity. It is also likely to create enormous pressure on the National Board of Revenue (NBR), which failed to achieve the target in FY2016-17. Continued failure of NBR would also pose a serious question of credibility of the government's biggest agency to administer fiscal operation.

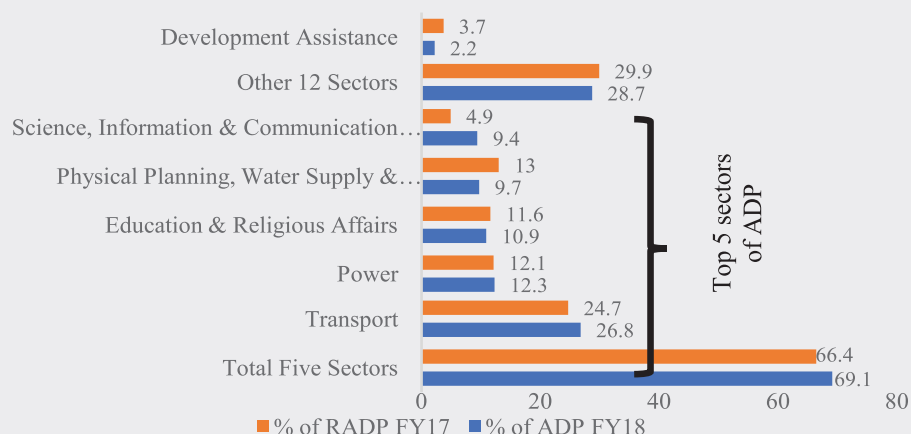
**Table 1:** The Budget Structure of FY2017-18 (in crore Tk.) (figures in the parentheses indicates percentage)

Sector	2017-18P	% change (2017-18)	2016-17R	% change (2016-17)	2016-17P
<b>Tax Revenue</b>	<b>287,991</b> (13.0)	31.80	<b>218,500</b> (11.2)	-9.99	<b>242,752</b> (12.4)
NBR Tax	248,190	34.16	185,000	-8.94	203,152
Non-NBR Tax	8,622	18.74	7,261	0.15	7,250
Non-Tax Receipt	31,179	18.83	26,239	-18.89	32,350
<b>Total Expenditure</b>	<b>400,266</b> (18.0)	26.20	<b>317,174</b> (16.2)	-6.88	<b>340,605</b> (17.4)
Non-Development Revenue Expenditure	207,138 (9.3)	16.27	178,154 (9.1)	-5.72	188,966 (9.6)
Development Expenditure	159,013 (7.2)	37.09	115,990 (5.9)	-0.89	117,027 (6.0)
In which, ADP	153,331 (6.9)	38.51	110,700 (5.7)	0.00	110,700 (5.6)
Other Expenditure	34,115 (1.5)	48.13	23,030 (1.2)	-33.46	34,612 (1.8)
Budget Deficit	-1,12,275 (-5.0)	13.78	-98,674 (-5.0)	0.84	-97,853 (-5.0)
<b>Deficit Financing</b>					
External sources	51,924 (2.3)	80.47	28,771 (1.5)	-20.75	36,305 (1.9)
Domestic sources	60,352 (2.7)	-13.66	69,903 (3.6)	13.57	61,548 (3.1)
In which, banks	28,203 (1.3)	17.99	23,903 (1.2)	-38.61	38,938 (2.0)
<b>GDP</b>	<b>2,223,600<sup>a</sup></b>	13.68	<b>1,956,055<sup>b</sup></b>	-0.25	<b>1,961,017<sup>a</sup></b>

Source: Budget Speech 2017-18, figures in parenthesis indicate % of GDP; <sup>a</sup>= nominal GDP at the time of budget preparation<sup>b</sup>= Provisional estimate of nominal GDP, P = proposed, and R = revised.

**Figure 1:** Distribution of Total Public Expenditure

The proposed size of ADP is Tk.153,331, which is 38.3 per cent of total budget FY2017-18, and 38.5 per cent higher than both the ADP and RADP of FY2016-17 since RADP was unchanged for FY2016-17. It contains 1,195 approved projects, while ADP of FY2016-17 had 1,123 projects. The project aid is 37.2 per cent of the total ADP of the FY2017-18, which was 29.8 per cent in the RADP of FY2016-17. The top five sectors have received 69.1 per cent of the total ADP allocation (*Figure 2*). Among them, transport sector again got the highest (26.8 per cent of total) allocation with 50 per cent jump over the RADP of FY2016-17. The Rooppur Nuclear Power Project received 75.5 per cent higher allocation than that of the preceding fiscal year. However, the government is still relying on 'piecemeal' notion and *ad hocism* is developing ADP rather than moving towards multi-year public investment programme. Only 46.3 per cent of the ADP was implemented in the first nine months of FY2016-17, which means that the remaining 53.7 per cent would have to be implemented in April-June 2017, *i.e.*, only in three months. Such a continued "fourth quarter syndrome" naturally raises question on the quality and reliability of ADP among the taxpaying citizens.

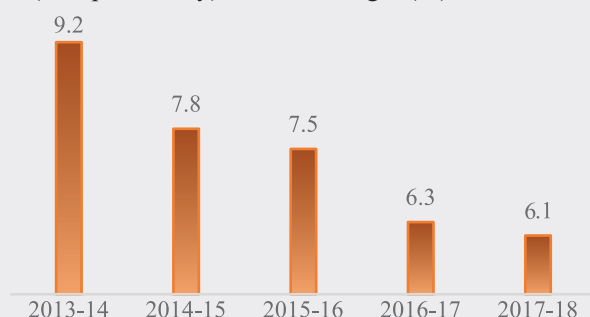
**Figure 2:** Sectoral Distribution of ADP Allocation

**Subsidy and Incentives:** Total amount of allocation proposed for subsidy and incentives is Tk.19,454 crore for the FY2017-18. It has undergone significant changes in terms of composition due to decline in oil price in the global market. Power subsidy has increased from 13.2 per cent in FY2012-13 to 25 per cent in 2016-17. However, economic returns, macroeconomic stability, welfare of low-income population and avoidance of national level shocks should be the considerations to determine the allocation for subsidy and incentives.



**Social Safety Net (SSN):** The government has increased allocation for SSN programmes from Tk. 40,857 crore in the revised FY2016-17 budget to Tk. 54,206 crore in the proposed FY2017-18 budget. It is estimated to be 13.28 per cent of the proposed budget and 2.44 per cent of the estimated GDP of the FY2017-18. The proposed allocation is 32.7 per cent higher than that of the revised budget of the preceding fiscal year. Most of the SSNs provided higher amount of financial benefit to the beneficiaries. A special social protection scheme has also been introduced for the country's *haor* areas, which was much expected because of the devastating loss in agriculture and fishery sectors due to an early flash flood in April 2017. However, no overhauling of Social Safty Net Programme has been initiated in line with the NSSS 2017. Moreover, a critical matter which has not happened in recent past is that the budget for SSN witnessed a downward revision at the end of FY2016-17 by about 9.67 per cent. It implies that the capacity of the government to implement the SSNP at the desired level has indeed declined. On the other hand, the proposed SSNP allocation of FY2017-18 incorporates a gigantic amount in the tune of Tk.22,392.22 crore for "Pension for Retired Government Employees and Their Families". If we disregard this amount from the SSNP allocation, the net SSNP allocation turns out to be 1.43 per cent of the GDP of FY2017-18. This falls short of the international commitment of the government to allocate at least 2 per cent of GDP for social protection.

**Figure 3:** Share of AAS (except Subsidy) in Total Budget (%)



**Agriculture:** Allocation for Agriculture and Allied Sectors (AAS) is Tk.24,430 crore in FY2017-18, which has increased by 22 per cent compared to the revised budget of FY2016-17. Nevertheless, the main concern is that the share of allocation for AAS has been on the decline in total budget (*Figure 3*) despite the fact that AAS is fundamental to ensure food security in the country and still a lion's share of the labour power are engaged in agriculture.

**Education and Health:** In the front of human development, allocation for 'education and technology' is Tk.65,444 crore in the budget for FY2017-18, which has increased by 30 per cent from the revised budget of FY2016-17. Similarly, allocation for the health is Tk.20,652 crore in FY2017-18, which has increased by 39.3 per cent from the revised budget of FY2016-17. These are good initiatives because Bangladesh needs to build on demographic dividend through a greater share of human capital in its production function. In addition, higher growth is required in total factor productivity for sustaining GDP growth in the long run, which should come from greater investment in education, technology and health sectors. However, a major concern in this sector is its low share of education and technology in GDP (2.94 per cent in FY2017-18), which is among the lowest in South Asia.

Overall, the quality of the budget for FY2017-18 appears to be satisfactory in terms of sectoral allocations and sensitivity to national priorities. Indeed, Bangladesh needs considerable level of public expenditure to promote and sustain higher economic growth toward achieving its immediate 'Vision 2021' of graduating to a developing country and long-term 'Vision 2041' of becoming a developed nation. Budget for FY2017-18 is a good instance of an expansionary fiscal policy, which should be accommodated with similar kind of monetary policy. Otherwise, it would not succeed to attract private investment and facilities created by the government through budget will remain unutilized.

## DScE News in Brief

### Farewell to the 5<sup>th</sup> Batch Students of the Environmental Economics Programme

A farewell party for the 5<sup>th</sup> batch students of Master of Economics in Environmental Economics programme was arranged on 23 August 2017 by the junior batch students of the environmental and resource economics programmes of Dhaka School of Economics (DScE). The programme was presided over by Dr. Qazi Kholiquzzaman Ahmad, Chairman of the Governing Council of DScE and participated by all faculty members, administrative staff and students of both graduate and undergraduate programmes of DScE.

The programme was anchored by two students of the graduate programme in environmental economics: Barsha and Muyenul. Besides the organizing students, the outgoing students also recalled their time spent at DScE with great admiration; some even called it as the most productive and education time in their lives. Among the faculty members, Dr. Tawheed Reza Noor, Dr. Narayan C. Sinha and Dr. Salma Sultan also spoke on the occasion. The Coordinator of Environmental and Resource Economics Unit of DScE, Dr. A K M Nazrul Islam shared his memories and experiences with the outgoing students, and wished them all the best in their future endeavours. The official part of the farewell was concluded with an inspiring speech from the Chair, Dr. Qazi Kholiquzzaman Ahmad. In his speech, he urged the outgoing students to excel in their respective fields of works, while keeping in mind their responsibilities towards the society, nation and humanity. He also shared his views on the future plan for DScE.

After the first part, a cultural programme was also organised by the organizing students in honour to the outgoing students. This part of the programme included singing, recitation of poems, dance and comedy performance. The most interesting part of the cultural event was a powerful performance by Nayan Baul and his group (*Palli Baul Samaj Unnayan Sangstha*). A number of popular folk and mystique songs were sang by him with an active participation and appreciation by the students and all presents. The programme was jointly coordinated by Tonmoy Chowdhury and Sadia Islam, faculty members of DScE.

### A Seminar on 'Project Planning, Analysis and Management'

A seminar on "Project Planning, Analysis and Management" was organized by Dhaka School of Economics (DScE) on 27 May, 2017. Dr. Qazi Kholiquzzamna Ahmad, Chariman of the Governing Council of DScE was presided over the seminar, while Mr. Vorvate Chonlasin, Senior Program Specialist and Head, Public Sector Capacity Building (PSCB) of the Asian Institute of Technology (AIT) was



the Chief Facilitator. Mr. Sufian Etea, Program Officer, PSCB, AIT Extension was assisted by Mr. Vorvate Chonlasin.

Mr. Vorvate stressed upon the process of project selection criteria, which according to him, should be based on honesty, integrity, ethically and morally. According to him, for appraising any project, its economic, financial, technical, market and social aspects need to be analyzed. He argued that project managers should be efficient in making a project successful. Dr. Qazi Kholiquzzaman Ahmad in his concluding remarks talked about issues related to rural development funding procedure, skills development and management support mechanisms in project management. He cited examples from Pally Karma-Sahayak Foundation (PKSF), with special reference to its ENRICH project, which is seen as a very successful intervention to poverty eradication through a holistic planning. The seminar was coordinated by Prof. Dr. Muhammad Mahboob Ali.

### **Field Trip to *Social Upliftment Society (SUS)*, Savar by the Students of PGD in Enterprise Development**

On May 23, 2017 a total of nineteen students from the Post Graduate Diploma in Enterprise Development Programme of Dhaka School of Economics visited SUS, a partner organization of Pally Karma-Sahayak Foundation (PKSF), Savar. They learned about PKSF's practical experiences regarding creation of entrepreneurs through engaging its local development partner SUS. The field trip started with a meeting held at PKSF. The students in their field trip to *Social Upliftment Society (SUS)* observed the opportunities that have been created in the form of employment generation and skills development. They were guided by Dr. A K M Nuruzzaman, DGM and Mr. Gokul Chandra Biswas, AGM, PKSF. It also may be mentioned here that to create able entrepreneurs in the country, DScE has designed a specialized post Graduate Diploma in Enterprise Development under the able leadership of eminent economist Dr. Qazi Kholiquzzaman Ahmad. The visiting students were delighted to get this opportunity to get some first hand experiences through real life exposure from this field trip.

### **International Seminar on ‘Exploratory Analysis of Entrepreneurial Marketing’**

An International Seminar on "Exploratory Analysis of Entrepreneurial Marketing" was held on 29 April, 2017 at Dhaka School of Economics (DScE). The programme was chaired by Dr. Qazi Kholiquzzaman Ahmad, while the keynote paper was presented by Prof. Dr. Satya P. Chattopadhyay of the University of Scranton, USA. Dr. Lorenzo Gelmini of the University of Eastern Piedmont, Italy and Dr. Vichayan Rattanawiboonsom from the Naresuan University, Phitsanuloke, Thailand were special guests. Prof. Chattopadhyay argued that entrepreneurial marketing is essential and thus proper education and training on entrepreneurship should be developed. Dr. Vichayan Rattanawiboonsom in his remark explained the ways and needs of supply chain management for entrepreneurial activities. On his concluding remarks, Dr. Qazi Kholiquzzaman Ahmad explained the necessity for opening the Post Graduate Diploma in Enterprise Development at Dhaka School of Economics and expressed his willingness to start both Bachelor and Masters programmes in Entrepreneurial Economics in phases at DScE. The seminar was anchored by Prof. Dr. Muhammad Mahboob Ali.

## Special Lecture on the ‘Emergence of Bangladesh’

Dr. Qazi Kholiquzzaman Ahmad, an eminent economist of the country delivered a special talk on the Emergence of Bangladesh on 30 April, 2017, at Dhaka School of Economics (DScE). In his talk Dr. Ahmad expensively spoke on politics society and economy during the pre-colonial era, British rule, Pakistani period and disparity between two parts of the then Pakistan. He appraised the Father of the Nation Bangabandhu Sheikh Mujibur Rahman for his unique leadership for creating an independent and sovereign country- Bangladesh. In his talk he pointed out that under the able leadership of the current Prime Minister Sheikh Hasina, the country has been experiencing exemplary socio-economic progresses over the past 9 years, which have also been highly acclaimed by the international community. Both faculty members and students of DScE attended the programme and gained knowledge on an important historical issue like the Emergence of Bangladesh from a renowned economist and freedom fighter of the country.

## Faculty Participation in National & International Seminar / Conference

Dr. A K M Nazrul Islam of Dhaka School of Economics (DScE) and also one of the Vice Presidents of Bangladesh Economics Teachers’ Association (BETA) presented a paper titled: "The State of the Tertiary Education in the Discipline of Economics in Bangladesh: A Critical Overview", at a national seminar organized by BETA on 19 May 2017 at the RC Majumder Auditorium, University of Dhaka.

## Asia Pacific Journal on Environment and Development

### Call for Articles

*The Asia Pacific Journal on Environment and Development* (Print ISSN 1023-7895) is a refereed international journal published since 1994. It comes out twice in a year- in June and December and aims to publish papers on diverse issues linking the environment and economic development.

Development and environment are not essentially contradictory, but can be so in practice depending on the manner in which natural resources are used and preserved. Development activities in any society are highly influenced by the access to natural resources and may also be responsible for environmental degradation, which ultimately affects the economic health of that society. With unprecedented expansion of global economic activities and indiscriminate destruction of the environment, how to maintain a balanced relationship between economy and environment is a serious global research and policy agenda. In order to understand such problems, and to consider strategies and policies for dealing with them, an interdisciplinary perspective must be brought to bear on development-environment linkages. As research in this fast developing field multiplies, there is an urgent need in the region for a medium which will provide a forum for debate on pertinent issues and dissemination of relevant research findings. This journal is in response to this need. In general, it seeks to publish articles that are interdisciplinary in nature and adopt an integrated approach to environment and development. For further information, please visit: <http://www.dsce.edu.bd/project/journal-on-environment-and-development-call-for-article/>



## DScE's Research Activities

### Synopsis Presentation by the Students of 5<sup>th</sup> Batch of Master of Economics (Environmental Economics) Programme Held at DScE

As a part of fulfilling the requirements for successfully completing the degree in Master of Economics (Environmental Economics), selected students are offered with a dissertation option right after their successful completion of the third semester of studies at Dhaka School of Economics (DScE). Students, who are given this opportunity to conduct an academic research to apply their theoretical knowledge learnt on an important issue of national interest, are required to prepare a synopsis and present it before an expert panel for a formal approval. After a successful synopsis presentation and approval by DScE, students are assigned with supervisors for the completion of their works. Once the works are completed, students are further required to present their findings before the same panel in a 'Pre-submission Presentation' for feedback and permission for submission.

Under this dissertation option, as many as 44 dissertations by the students of Environmental Economics programme have been conducted by the first four batches i.e. in the academic sessions: 2011-12, 2012-13, 2013-14 and 2014-15. This year a total of eight students of the Master of Economics (Environmental Economics) programme (Session: 2015-16) have given the permission to work on their dissertations on different issues related to environmental economics in the context of Bangladesh. As a part of that the incumbent students have presented their 'Synopsis' on 4 June, 2017 at Dhaka School of Economics. Titles of the proposed dissertation works with the corresponding students and supervisor's names are presented in the following table:

Sl No.	Name of the Student	Dissertation Title	Supervisor
1	Md. Mehedi Hassan Manik	Climate Change and Rice Production Nexus: A Case Study of Bogra, Bangladesh	Md. Touhidul Alam
2	Md. Maruf Morshed	Economics of Improved Solid Waste Management Services: An Experimental Study on Dhaka South City Corporation	Dr. Salma Sultan
3	Yousuf Mahid	Climatic Impacts on Coastal Livelihoods and the Nature of Adaptation: A Case Study on Shyamnagar Upazila of Satkhira District	Dr. A K M Nazrul Islam
4	Kazi Ehsanul Bari	The State of the Implementation of the National Water Policy 1999 of Bangladesh: An Analysis	Dr. A K M Nazrul Islam
5	Md. Fozla Hossain	ENRICH- A Holistic Approach to Poverty Eradication Among the Vulnerable Households: A Case Study of Atulia Union in Satkhira District	Dr. Fazle Rabbi Sadeque Ahmed

6	Md. Saddam Hossen	A Comprehensive Review of the National Energy Policy 1996 of Bangladesh	Professor M. Nurul Islam
7	Md. Moniruzzaman	Economics of Floating Agricultural Practices in Bangladesh: An Exploratory Study	Mohammad Akbar Kabir
8	Sabnam Sarmin	Economics of Tourism Benefits from the Ratargul Swamp Forest in Bangladesh: A Travel Cost Analysis	Dr. Salma Sultan

Dr. Qazi Kholiquzzaman Ahmad, Chairman of DScE's Governing Council was presided over this event, while Dr. A K M Nazrul Islam, Associate Professor and Coordinator of the Environmental & Resource Economics Unit facilitated the synopsis presentation session. Other faculty members, including Prof. M. Nurul Islam, Professor Rezai Karim Khondker, Professor Muhammad Mahboob Ali, Dr. Fazle Rabbi Sadeque Ahmed, Dr. Narayan C. Sinha, Mohammad Akbar Kabir, Dr. Tawheed Reza Noor, Dr. Salma Sultan, Md. Touhidul Alam, Tonmoy Chowdhury and Sadia Islam, were also present.

### Journal Article Published

- 1. Journal Article Published:** The faculty members and students of DScE regularly publish research articles in journals published from home and abroad. Papers published in this quarter by the DScEans are as follows:
  - (a) Dr. Salma Sultan (2017). "Solid Waste Management in Urban India: An Overview", *International Journal of Environmental Protection and Policy* (ISSN-2330-7528), Vol. 5, Issue 4, pp. 61-69, USA.

### DScE's Admission News

Dhaka School of Economics (DScE) has announced the admission for the 7<sup>th</sup> Batch of students to its Master of Economics (Environmental Economics) programme for the session 2017-18. The last date of application is 9 October, while the admission test will be held on 13 October, 2017. DScE is also now accepting applications for the admission to Post Graduate Diploma in Enterprise Development, 2<sup>nd</sup> batch. The last date for application is 16 October 2017. It is also expected that the admission for the Bachelor of Economics (BEcon) in Environmental and Resource Economics programme (3<sup>rd</sup> Batch) of DScE will soon be announced for the academic session 2017-18. All news on DScE's admission are published in leading national dailies and popular online admission sites. Further, interested candidates and parents are advised to visit the official website of DScE ([www.dsce.edu.bd](http://www.dsce.edu.bd)) for any update on this regard.

## Students' Contribution

### *Korail Basti- Tip of An Ice-berg on Unplanned Urbanization in Bangladesh!*

Syeda Sajia Afroz Rumpa<sup>1</sup>

**Korail Slum as an Example of Unplanned Urbanization in Bangladesh:** Korail basti or Korail slum, sprawling along the Gulshan-Banani lake of Dhaka city is one of the largest slums in Bangladesh. Most of the people who live in the Korail basti have migrated from some of the poorest parts of Bangladesh, either because of natural disasters or economic reasons. The slum covers approximately 100 acres of land and is the home to more than 50,000 residents. Most of the slum-dwellers who are staying at Korail basti live below the poverty line and earn very little income. Along with mass poverty, the highly densely populated slum has very minimum basic civic amenities available for this huge number of people living here. Besides, poor and unhygienic environmental quality, crime and discrimination by powerful classes are the other common problems the residents need to face regularly.

**Reasons behind Growing Urban Slums in Bangladesh:** Main reasons behind an influx of urban slum population in Bangladesh include river bank erosion, landlessness, lack of rural employment opportunities, climate change and other environmental disasters, social conflict and so on. Due to the existence of poverty in rural areas, poor migrate to urban areas for employment opportunities and better living. For many of the newly arrived people, slums are comparatively affordable places for living.



**Table-1: Some Basic Statistic on slums in Dhaka city**

Year of Survey	Number of Slums and Squatter Clusters	Number of Slum Households	Slum Population
1974	—	—	2,75,000
1986	—	1,21,328	—
1991	2,156	—	7,18,143
1996	3,007	—	15,00,000
2005	4,966	6,73,883	32,86,7 70

Source: <https://economicsbd.wordpress.com/2011/03/06/a-brief-history-of-economics/>

Although quite backdated information, the above table speaks the gravity of the problem of rapidly expanding urban slums and their dwellers. Considering the growing landlessness among the rural resources poor houses, adversities across country's hard-to-reach and

<sup>1</sup> A student of the 6<sup>th</sup> batch of Master of Economics (Environmental Economics) programme of Dhaka School of Economics (DSE). Contact: s.s.afrozrumpa@gmail.com

difficult region like the Northern and North-western districts, the midl and flood affected regions, the *haor* belt, the coastal belt and the Chittagong Hill Tract regions are some of the most vulnerable areas of the country from where large-scale migration of poor may destabilize urbanization in the major cities of Bangladesh, if effective interventions are not taken in time.

**The Unplanned Urbanization in Bangladesh and Growing Slums:** As country's population is still on an increasing trend, urbanization is an obvious outcome that may accelerate with time. But in the absence of a planned urbanization in most cities in the country, a good number of people and particularly the poor and rural resourceless families may find themselves as dwellers to expanding urban slums. These will have profound negative consequences, particularly on:

*Environment:* Expansion of slums and slum dwellers in cities like Dhaka have high environmental consequences. Poor drainage and sewage systems, unplanned solid waste management, unhygienic surroundings and lack of knowledge and awareness often create large-scale environmental degradations.

*Health:* Effects on health from unplanned urbanization and expansion of slums include impacts on both mental and physical health of the slum dwellers. Mental health problems are highly prevalent in slum areas, although such issues are yet not appropriately addressed. Most of the slum dwellers do not get basic health facilities due to asymmetric information about healthcare. Moreover, people living in slums are highly vulnerable to poor sanitation, overcrowded and crude habitation and thus face health risks. Communicable diseases become a major problem in slum areas because of lack of potable water and inadequate sanitation systems. In Dhaka city, most slum settlements, including the Korail slum tend to be located in low-lying areas that are flood-prone and thus prone to health risks.

*Security Threats:* Vulnerability is the most significant form of insecurity living in slums. Slum dwellers are highly vulnerable to economic, social, physical and other forms of injustice. These vulnerabilities are important because they construct the background conditions within which discrete threats arise. Moreover, security challenges including anarchy, political problems, cultural views, religious ideology and so on are also not uncommon in slum areas. Furthermore, removal and replacement of slums creates a conflict of interest.

*Accidents:* Fire incidences are a common accident in slum areas. Fire incidences have direct effects on green environment. Slum areas do not get enough oxygen from trees due to lack of space for plantation. Moreover, fire contributes for air pollution in the slum areas. Furthermore, due to any devastating fire, houses and basic infrastructure are often damaged in slum areas. In the face of any fire incidence, eviction is one of the main problems in any slum area damaged. Thus people of slum areas always feel anxiety about fire or other form of accidents.

**What Needs to be Done:** It is the right of all people as citizens to get basic amenities from a state. So the government, as well as various non-development organizations (NGOs) working



on urban development and eradication of poverty, should come forward and develop basic amenities in urban slum areas, improve their environmental and hygien related issues, living conditions, provide life securities, protect them from local goons and unlawful activities, stop gender and child abuse, and create mass awareness among slum dwellers. It is also important that necessary steps are taken to improve socio-economic conditions of country's most vulnerable regions which are prone to migration by creating employment opportunities and income earning programmes that may stop people from migration and ease pressure on urban slums like the Korail basti.

## The Tariff Structure of Bangladesh: A Review

*Mirza AFM TawhidurRahman and S. M. Sumaiya Zabeen<sup>1</sup>*

Generally customs duties on merchandise imports are called tariffs (WTO). Tariffs are normally charged as a percentage of the value of the goods being imported. After the WWII (1945), countries agreed to reduce customs duties to promote trade between nations. Tariffs can be imposed on export merchandises. There are some rationales behind imposing tariff, they are:

- Price advantage to locally-produced goods
- Revenues for government
- Protecting Domestic Employments
- National Security and
- Trade Remedial Measures

Tariffs can be classified on the basis of rates, preferences or WTO criteria. Tariffs can have positive and negative implications on the imposition country.

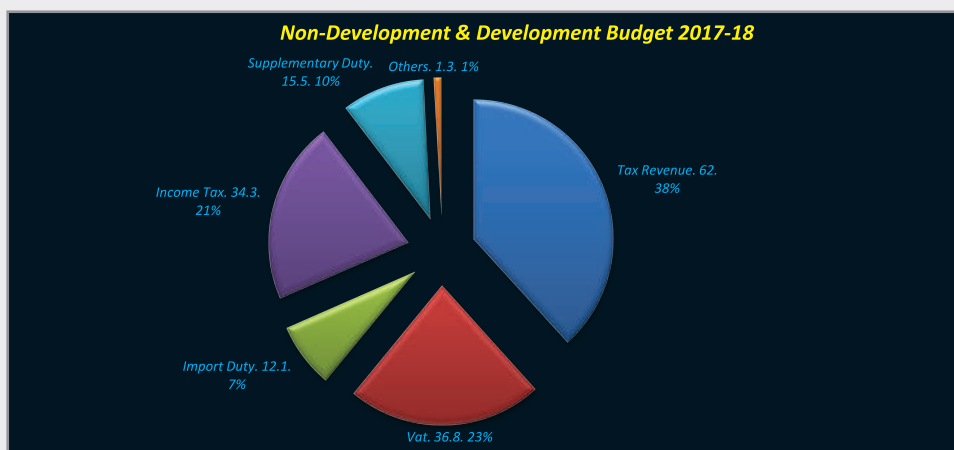
Bangladesh also uses both *ad valorem* and specific duties as tariffs. Average most favoured nation (MFN) tariffs declined markedly since 1992. Bangladesh also uses para-tariffs also. Para-tariffs include supplementary duty (SD), regulatory duty (RD), etc. Presently the highest customs duty (CD) rate in Bangladesh is 25%, while the lowest is 0%. In recent years, the simple average of tariffs shows a slight increasing trend, while the weighted average tariffs is showing more incline. This means that import of the highest tariff products has risen in recent years. This also indicates the rise in the coverage of the protective duties.

Preferential access to different markets option is available for Bangladesh being an LDC. Of the available markets few have 100% access, while others have 31-98% access.

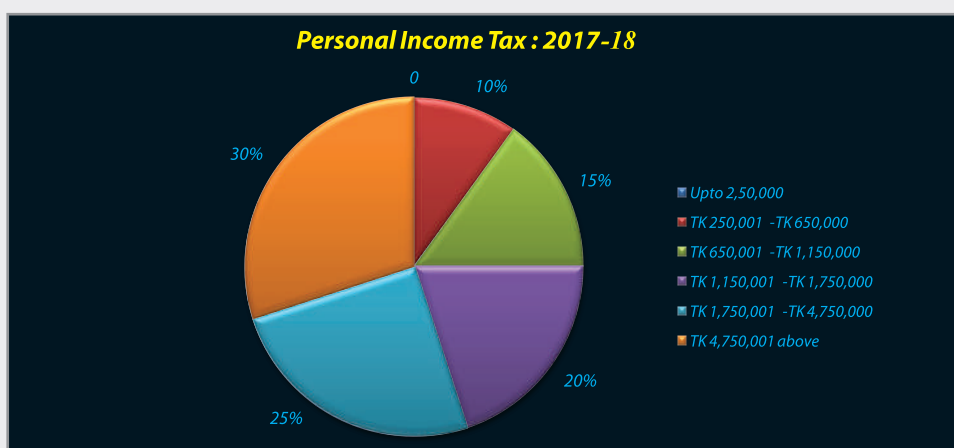
As a result of the Uruguay Round commitments, countries submit their schedule to cut and "bind" customs duties on imports of goods. Bangladesh maintains the highest simple average MFN bound rate, 169.3%. Over the past 20 years, global trade in goods has been nearly quadrupled, reaching US\$ 19 trillion in 2013 compared with US\$ 5 trillion in 1996. This represents an annual average growth rate of 7.6 per cent on an average. Over the same period, there has been a 15 per cent reduction in average tariffs applied by WTO members. Besides, the recent policy developments related to SDGs, gradual increase of bilateral and regional integrations, as well as the national target of Bangladesh, to graduate from LDC are acting as the vital policy implication for Bangladesh in the field of trade.

<sup>1</sup> Students of Post Graduate Diploma (PGD) in Economics, Dhaka School of Economics (DScE), Session: 2016-17.

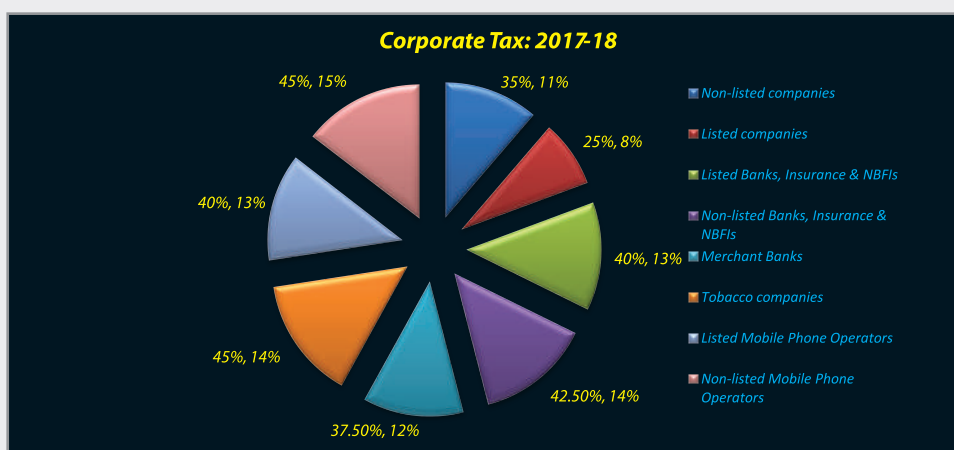
## Movement of Certain Key Economic Indicators



Source: MoF, GoB, 2017



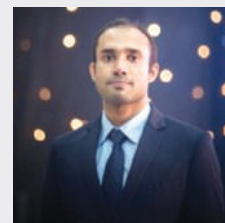
Source: MoF, GoB, 2017



Source: MoF, GoB, 2017

## DScE Highlights

- Kazi Ehsanul Bari, a 5<sup>th</sup> batch student of the Master of Economics in Environmental Economics programme of DScE has been offered graduate admission in economics by five reputed universities in the USA for the 2017-18 academic session. Ehsanul Bari left Bangladesh on 2 August 2017 for joining the Department of Agricultural and Applied Economics of the University of Georgia, USA for his graduate studies in economics. Prior to joining DScE for his post graduate in Environmental Economics programme, he received his bachelor degree in Urban and Regional Planning (URP) from Bangladesh University of Engineering and Technology (BUET). He is particularly interested in resource economics and hopes to contribute fundamentally in this discipline at the global level. While the School will surely miss his presence, we wish Ehsanul Bari good luck in his new endeavor.



- Shafiqul Alam, a graduate of the 3<sup>rd</sup> batch of Master of Economics in Environmental Economics programme of DScE has been awarded the prestigious "International Climate Protection Fellowship" by the Humboldt Foundation Germany. It is one of the highly competitive fellowships offered to selected international candidates by Germany and Shafiqul is the second only recipient of this fellowship from Bangladesh since its inception. He currently works with GIZ as a senior advisor of energy efficiency. Shafiqul did his bachelor in

Mechanical Engineering from KUET and also has an MBA from the University of Dhaka before his admission to Dhaka School of Economics. DScE family feels proud for the success of Shafiqul.

- Gazi Asif Salehin, a third batch graduate in Environmental Economics programme of Dhaka School of Economics (DScE) has been offered a PhD fellowship in resource economics by the University of Wollongong, Australia for the academic session 2017-18. Asif intends to carry out a research on the issue of energy efficiency in the context of Bangladesh for his PhD thesis. Prior to DScE, he completed a bachelor degree in Electrical Engineering from Bangladesh University of Engineering and Technology (BUET). Congratulations Gazi Asif Salehin for raising the flag of DScE in the Australian academia! Best of luck Asif!



- Zissan Bin Mazed, a student of the 6<sup>th</sup> batch of Master of Economics (Environmental Economics) programme of Dhaka School of Economics (DScE), has successfully passed the 35<sup>th</sup> BCS examination and has been recommended for the Admin Cadre. Zissan has successfully completed his first semester of studies at DScE before joining as an Assistant Commissioner and Executive Magistrate and wishes to finish the remaining three semesters along with the 7<sup>th</sup> batch of students. Earlier, he completed his Bachelor degree in Civil Engineering from BUET. Congratulations Zissan for this great achievement!

- Jishan Ara Mitu, a graduate of Environmental Economics programme of Dhaka School of Economics (DScE) has recently joined Centre for Policy Dialogue (CPD) as a Programme Associate. Mitu was the topper with a CGPA of 3.88 on a 4.0 point grading scale in the 3<sup>rd</sup> Batch of Master of Economics in Environmental Economics programme of DScE. Prior to her current position at CPD, she also worked at Bangladesh Institute of Social Research Trust (BISRT) as a Research Associate. DScE family feels happy to learn this news!



- Wasim Akram, a graduate of the 4<sup>th</sup> batch of Master of Economics in Environmental Economics programme of DScE has joined the Department of Economics of Hamdard University as a Lecturer in September 2017. Wasim was the third topper in his batch. Prior to joining DScE as a post graduate student, Wasim completed his BA (Hons) in Economics from Khulna University. We would like to welcome Wasim into the world of academia and wish him all the best!

- Md. Maruf Hossain, a graduate of the 3<sup>rd</sup> batch of Environmental Economics programme of Dhaka School of Economics (DScE) has joined the international non-development organization ActionAid Bangladesh as a Program Officer. Prior to his current assignment, Maruf also worked with Democratic Budget Movement and Development Synergy Institute, Bangladesh and contributed in the area of national budget analysis. DScE feels proud and wishes him all the best in his new endeavour as a development practitioner.



- Fahmida Shahin, a 4<sup>th</sup> batch graduate in Environmental Economics programme of Dhaka School of Economics (DScE) has recently joined as an Assistant Director to the Ministry of Public Administration. Fahmida completed her BA (Hons) in Economics from the University of Chittagong before her admission to DScE. We feel pleased to learn this good news and wish her all the best in this new endeavour.

- Yiaser Arafat Rubel, a 6<sup>th</sup> batch student of the Environmental Economics programme of Dhaka School of Economics (DScE) has recently joined Rajdhani Unnayan Kartipakhkha (RAJUK) as an Officer. Arafat completed a bachelor degree in Civil Engineering from Bangladesh University of Engineering and Technology (BUET) before joining DScE for his Masters degree in Environmental Economics. DScE family feels happy to know the news!



## Quarterly Newsletter

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