

Launching Ceremony of the Golden Jubilee Celebration of Bangladesh Institute of Development Studies (BIDS)

Address by

Honourable Chief Adviser

Dr. Fakhruddin Ahmed

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Bismillahir Rahmanir Rahim

Chairman and Members of the BIDS Board of Trustees,

Director General and other Staff Members of BIDS,

Keynote Speaker of the Day, My Distinguished Teacher Prof. Rehman Sobhan,

Ladies and Gentlemen,

Assalamu Alaikum

We are here to celebrate an occasion of joy and pride. The country's premier research institution BIDS completes the fiftieth year of its existence. This is an appropriate occasion to celebrate and at the same time to reflect on its achievements, and more importantly, to look into the future and we have had several solutions from the previous speakers on these issues.

As you have heard from Prof. Rehman Sobhan, my revered teacher, Professor Nurul Islam headed the institute in the early sixties which was then known as PIDE. As you have also heard, Professor Nurul Islam was later to become the first Deputy Chairman of Planning Commission. Some of us present here today were his and Prof. Rehman Sobhan's students at Dhaka University.

The reason why I am thinking of Professor Islam today is not because of the nostalgia of a student for his teacher but, as we have heard from Prof. Rehman Sobhan, because the institute had blossomed under his dynamic stewardship as an outstanding research-body. It conducted not merely analytical and policy research, but also helped

develop arguments in favour of a two-economy theory for the two wings of Pakistan, which ultimately led to the movements for autonomy and finally the emergence of independent Bangladesh. Moreover, several senior Bangladeshi researchers of the institute joined the Liberation War in various capacities. BIDS thus played a glorious role in the independence movement and liberation war of Bangladesh.

Ladies and Gentlemen,

You have heard, BIDS subsequently played an important role in shaping the economic policies of independent Bangladesh. Research on issues of critical national importance at various times and the dissemination of findings with their policy implications has been one of the methods employed in this policy-role. For example, one of the critical issues immediately after independence had been the relative role of the public and private sectors. BIDS researchers led by Professor Rehman Sobhan took the debate to a new height.

BIDS has a long tradition of socio-economic research and many well-known Bangladeshi economists and social scientists have been associated with this institution at one point or other. The proliferation of socio-economic research organizations in the country would not have been possible without the positive externalities created by BIDS. A number of such organizations are still led by the alumni of the institute.

Ladies and Gentlemen,

Let me take this opportunity to mention a few areas, where, as I look into the future, I feel BIDS and the broader economic research community may want to focus on. First, I feel that the country needs to develop and retain a stronger and larger pool of macro-economists. There is a greater need now than ever before to understand and analyse macro-economic linkages and the trade-offs involved in making economic policy changes, based on rigorous analytical and research work. I would therefore encourage BIDS to nurture budding macro-economists and help develop a larger pool of expertise in this area. BIDS if I may suggest should devote a commensurate proportion of its resources to do research work on macro-economic issues.

My second point relates to the need to develop a core set of research issues and questions that are important or need to be addressed. These issues will change as new

findings and data are available and as the nation's priorities change. Let me offer some thoughts on what some of these issues could be at this time. One, I think we need a lot more focused work on environment and climate change, the impact on Bangladesh and what short and medium term strategies and policies should be adopted to deal with this. We cannot afford to ignore this ticking time-bomb any longer. Two, there needs to be better work on the economics of natural resources such as coal and gas, which can help the development of Government's capacity to better define policies in such areas. Three, the analysis of the recent 2005 Household Income and Expenditure Survey shows that the western part of the country has not made as much progress in poverty reduction as the eastern part. Finding out the reasons for such geographical differences and devising appropriate policies and solutions through adequate research is therefore important.

And of course, which growth-path should we follow also needs to be visited and revisited time and again. We must have a long-term agenda for such a growth process, which should be broad-based and pro-poor. This needs to be monitored and evaluated constantly with timely recommendations for corrective measures. Relevant internal and external shocks also have not been properly understood yet. We, therefore, need a more rigorous conceptual framework for this analysis of our future potentials for growth and socio-economic progress in order to cope with the emerging challenges of a globalised world.

Ladies and Gentlemen,

BIDS should, under no circumstances, be an organization where innovations, creativity and freedom of thought are stifled. Let me state that very clearly that this government will never curtail freedom of thought and expression in BIDS. I have just heard from Prof. Rehman Sobhan, as you have heard, some ideas about making BIDS more autonomous on the one hand, and on the other hand more useful to the government as an institution which can provide policy options and policy guidance. As the Chairman of the Board of Trustees, the Adviser for Finance and Planning has also indicated that he will look into those suggestions and see what can be done to really build BIDS into a state where it is on the one hand more autonomous and on the other

hand provides useful advice to the government as the government faces different challenges for policies. I would encourage BIDS to remain focused on maintaining a high level of analytical rigour and standard in all its work.

Finally, let me thank the BIDS authorities for inviting me to the launching ceremony of its Golden Jubilee Celebration. I join them in this celebration and wish the organization many more years of success.

Thank you all, ladies and gentlemen.

Allah Hafez.