

Research-Policy Links: An Analysis of Institutional Issues in Macroeconomic Policy Making in Bangladesh

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The study examines some key institutional issues surrounding macroeconomic policy making and their capacity to create a pro-poor policy environment in Bangladesh. The aim is to identify the constraints that preclude the undertaking of a comprehensive analysis of the macroeconomic issues including effective utilization of research outcomes in policy making; and suggest measures to overcome the underlying problems.

For understanding the context in which past policies have evolved, the paper uses macroeconomic developments, structural changes, poverty trends, and the relationship of broad macroeconomic changes with different phases of the policy regime identified from the country's growth-history. The role of research as a contributor to policy shifts has been examined following the logic of policy change in terms of three major instruments: (i) tools of analysis; (ii) capacities to develop, maintain, and use the tools in support of the policy making process; and (iii) openness and elasticity of the policy regime to new ideas and policy innovations.

The study indicates that the analysis of policy relevance and effectiveness of research requires the understanding of several underlying processes, such as how receptive is the macroeconomic policy agenda to research outcomes; what is the extent to which research can influence the processes, activities and actions underlying the policy making framework; in what ways research affects policy; and, finally, how to attribute or measure the influence of research on policy.

Although the ultimate objective of conducting research is to have a clear impact on macroeconomic policy, a realistic assessment of the situation in Bangladesh indicates that such influence should not focus on measuring policy changes alone. Within the country's complex and nascent policy making environment, the assessment of policy influence of research in unambiguous and measurable terms is difficult. A practical approach, therefore, needs to focus on intermediate influences that are often important for building policy capacity and furthering dialogues to bring consensus and enhance the chances of adoption of research-based policies. In Bangladesh, it is important to see the role of research from such a wider perspective.

The present review indicates that the capacity of research to influence policies and bring positive changes in the underlying policy environment depends, to a large extent, on the nature and strength of its relationship with the policy making process and the direct value that research can provide to the policy makers. Obviously, this is related to the broader issue of research-policy nexus that exists in the country. The reality, however, is that the relationship between research and policy making is still vaguely understood in Bangladesh and building and strengthening such relationships would require specific actions to bridge the gaps.

A positive development in the above context is that the boundaries between the researchers and the policy makers are becoming increasingly permeable in Bangladesh. Such flexibilities are useful, although may not be of direct relevance in policy decisions, to generate significant and powerful influence over a longer period of time through altering perceptions, ideas, and concepts of policy makers leading to improved policies in future.

In bringing research closer to policies, the role of intermediary institutions is important in Bangladesh. There are both public and private policy analysis and research institutions and other groups who work for different targeted policy audiences. For the researchers, it is important to develop interactions and linkages with such 'transmitting vehicles' for

ensuring effective dissemination and use of policy messages. Similarly, networks (both formal and informal), especially among and between the researchers/ research institutes and the policy makers, act as an important means for disseminating policy messages. Often these networks act as useful sources of both knowledge and information sharing and creating direct policy impact.

In the realm of macroeconomic policy, the reality is that there exist different institutions and actors dealing with specific set of policies. The government agencies and actors are different for designing and implementing specific policies and interactions and communications among these actors are often thin. A difficult challenge for the research community is, therefore, to deal with the fragmented jurisdiction within the government.

In promoting a specific agenda, advocacy coalitions covering various sections of the government and non-government actors sharing similar values and beliefs can become a powerful force in influencing policies in Bangladesh. In practice, it is seen that such coalitions may acquire some degree of stability and their preferred policies are unlikely to change easily if the coalitions are strong and powerful and the policies are built around their core beliefs or common interests. In such cases, an inherent conservatism towards maintaining the *status quo* is the likely outcome, with some changes in policies of secondary importance in response to credible studies or compelling evidence of research.

The findings highlight that a strong determinant of relevance and usefulness of a particular research to the policy makers is how it is conducted and for what purpose. In this respect, several factors are important, such as quality of research; completeness in terms of interpretation; analysis of available and feasible options; degree of participation and consultation among concerned stakeholders; and nature of research-policy nexus surrounding the particular issue.

The research that addresses emerging and important problems or challenges or fit the government's requirements at particular (or crisis) moments is able to attract greater exposure and subsequent success in influencing policy. From this perspective, opening of 'policy windows' is important in Bangladesh. To become successful in influencing policies as a researcher, it is important to remain prepared to take advantage of policy windows, learn to create new windows, and play the critical role of 'policy entrepreneurs'.

The review indicates that if the majority of decision making is of a routine or incremental nature, the scope of applying research outcome becomes limited. Conversely, the big demand for, and the receptivity to, research in Bangladesh comes when fundamental and new policy decisions are anticipated either due to change in political regime or as an outcome of other forces that create 'defining moments'.

In the past, external forces have acted as one of the most important factors of policy change in view of the country's high dependence on external assistance. In recent years, Bangladesh has significantly reduced its aid-dependence through successful efforts of human and non-human export promotion and domestic resource mobilization. While a commensurate decline in the country's dependence on 'policy advice' from international financial institutions and the donor community is yet to take place, research is likely to gain more strength to emerge as a powerful tool of learning and effecting policy changes based on new evidence, new arguments, and new strategies leading to significant adjustments in the future policy regime of Bangladesh.