

FROM THE EDITOR

With this issue of the Journal of Bangladesh Studies, I am delighted to note that interest in the journal continues to grow both within the United States as well as in other countries. In fact, the first local edition of the journal was recently launched in Bangladesh at a formal ceremony in September 2002 that was organized by East West University, a partner institution of JBS. The partnership is intended to make JBS widely available in Bangladesh, especially to academic institutions, research centers, and policy makers. The ceremony was attended by scholars, leaders from various for-profit and non-profit organizations, government representatives, and the intellectual community in general. The journal was received with great enthusiasm and high expectations that it would fill a void by addressing development issues pertaining specifically to Bangladesh. Scholarly contributions from various universities and related organizations, worldwide, have also begun to increase. JBS is also being made available to various South Asian libraries in the United States. Initiatives are underway to forge a partnership with The American Institute of Bangladesh Studies in which JBS will serve as a conduit to sensitize readers about the topics and methodologies addressed by AIBS-funded research. As we continue to highlight strategic and relevant development issues pertinent to Bangladesh on the basis of conceptual and empirical analysis, we are confident that JBS will provide visionary and intellectual leadership to address the challenges of development in Bangladesh that may well be emulated by other developing countries.

We solicit manuscripts that are innovative, insightful, and incisive and focus mainly on development issues of Bangladesh. The articles are expected to provoke debate and challenge policy makers, development planners, international agencies, donor countries, non-government organizations, and even countries in the region by reviewing existing practices and seeking pioneering solutions to bring about "real" change and development that reaches the very grassroots of Bangladesh society.

As the development discourse continues and its multidisciplinary scope expands, questions remain about the state of the human condition. While economic perspectives and solutions have been the mainstay of most analyses, other disciplines are also beginning to join the fray. Insights from sociology,

political science, psychology, the sciences, and related disciplines are also vital and need to be better integrated into the development discourse. From this milieu will need to emerge a clear conceptualization of what development is about and what should guide its propagation. One such conceptualization that I have often thought about that differentiates developed countries from developing ones is a heightened sense of collective conscience. This heightened state imbues in its people collective traits of philanthropy, moral values, social justice as reflected in distribution rather than growth, a voice of reason to challenge economic, political, and social structures that are ineffective, and a strong desire to learn and assimilate new modes of thinking to forge ahead "with" the community of nations. Bringing about this sense of collective conscience rests to an extent on a country's leaders who must demonstrate qualities of selflessness, vision, justice, moral and ethical strength, empathy for the people, willingness to take calculated risks, and the ability to inspire and enthuse the nation while giving to it a sense of purpose and meaning. Unfortunately, as one of our authors in a past issue surmised, Bangladesh continues to be bogged down in "the politics of pettiness and the pettiness of politics." The stranglehold of this mindset over the nation continues to suppress development of the collective conscience. It is heartening, though, that the people of the land seem to be more willing to change their conditions as they are gradually finding their collective strength to change matters. Recent elections have shown that people have the capacity to change any political leadership that is incapable of delivering; this is a positive sign that changes for the better are imminent. The question is time—a resource we do not have in plenty—unless a new brand of leadership emerges quickly from the morass.

In this issue, we first present an invited article on the national budget by Wahiduddin Mahmud. We also invited commentaries on the paper from The World Bank and Finance Ministers, both past and present. Responses were received from Frederick Temple and Zahid Hussain of The World Bank and A.M.A. Muhith, a retired civil servant and former Finance Minister. Mahmud's paper is resplendent with insights, revealing a complex process that leads to the national budget—one that is characterized by incrementalism that does not "fit into a coherent strategy evolving over time;" one that is thoroughly

politicized with little transparency and accountability, where there is corruption in tax administration and where politicians and bureaucrats involved with the SOEs continue to reap huge illegal incomes; one that is implemented by a lackluster and ineffective administrative arm; one where aid conditions impose rather than guide allocations; and one having the potential of being thoroughly exploited and abused by all presently concerned with its formulation and administration. And yet, Mahmud poses a conundrum: that despite the weaknesses, "there has been considerable progress in many areas of social development reflecting at least in pretense a 'benevolent social guardian role' of the government." Temple and Hussain confirm the positive developments in the country, citing the Bangladesh Public Expenditure Review by the World Bank and the Asian Development Bank; but they caution against ascribing these developments to the social benevolent role of the government. Muhith, on the other hand, argues that Mahmud "has successfully belabored the ... social guardian role of the government" but questions "why growth is still a distant dream and poverty alleviation not so robust."

It is intriguing that neither the author nor the commentators question whether the quality of data on which their arguments are predicated is sufficiently reliable and valid. For example, the government has sufficient incentive to manipulate data to demonstrate accomplishments where there are little or none. The World Bank and the Asian Development Bank also have incentives of their own to use flawed data that support their brand of resource management and presumed positive impacts. The bottom line is reflected in Muhith's query about growth and poverty alleviation and the daily news from the far corners of Bangladesh that continue to cry out how people for whom development is intended have been marginalized. Clearly there is a need for more convincing evidence that processes are in place to raise the collective conscience and the welfare of the people of Bangladesh. Consequently, Mahmud's paper provides grist for the mill for academics, researchers, development planners, and aid agencies to explain this conundrum and establish whether anyone other than the powerbrokers (both internal and external) have really benefited. What must be clearly demonstrated is the degree to which the budget reflects the aspirations and welfare of its people and the extent to which it contributes to upgrading the welfare and collective conscience of its people. Unless the control over its formulation is opened up to more thorough scrutiny and public

debate, its implementation decentralized, and its evaluation assigned to "disinterested" third parties, it will be difficult to "sell" all the remarkable claims that are made about the positive impacts of development by those who have a stake in making such claims. Any budget must address the needs of the people to achieve social emancipation. That, as Muhith suggests, is still a distant dream.

Amin Sarkar addresses the issue of sustainable development in Bangladesh and identifies a plethora of obstacles standing in the way. These include the highly centralized colonial administrative and education system, state owned enterprises, poor infrastructure, political instabilities, and high levels of corruption that continue to serve the ruling class. His call for decentralization, privatization, competitive markets, and educational reforms serve as a reminder that certain structures of society must be changed if development is to be put on the right track and sustained. Politicians and policy makers must strive to address these goals that have been oft-repeated in various forums over the years. Yet they continue to fall on deaf ears as one perceives little "real" action and unremarkable results.

Tuck Cheong Tang examines the determinants of import demand behavior in Bangladesh. An interesting finding of the paper is that the country's exports are a major determinant of Bangladesh's aggregate import demand over the long run, suggesting that the policy of import substitution has been replaced by the strategy of export-led growth with high import content for export items like garments. Clearly, as the author indicates, "for a small open economy like Bangladesh it seems realistic to assume that it is domestic supply rather than foreign demand that imposes a binding constraint on the growth of the export sector." Consequently, the author rightly suggests government strategies that should give priority to the development of resource-based industries which have low import contents, and to accelerate the development of backward linkages for non resource-based industries in order to increase the use of local inputs to dampen the increase in import demand that is driven by export growth. In addition, government policies on development of domestic capital goods industries and industries that produce intermediate goods that are competitive in terms of price and quality to imports will help implement export-led growth.

Tanweer Akram examines the decrepit condition and dismal performance of the non-financial state-owned corporations in Bangladesh. For over three

decades, these corporations have continued to be supported by the national exchequer that tantamount to blood transfusion to a patient whose demise is imminent when such transfusion is stopped. In other words, there is little reason to believe these corporations will make it on their own and “contribute” to other sectors of the economy. Instead, their existence continues to deprive other sectors from receiving a healthy infusion of resources that could propel them to greater heights, while enabling them to uplift society. The math is, therefore, simple: Either give these corporations a chance to make it on their own, to allow the labor unions and other interested parties an honest opportunity to succeed; or sell these enterprises to the highest bidder. Any other strategy is faulty, unjustified by the resources they deplete, and morally wrong. But as Mahmud’s invited article suggests, these organizations serve many perverse incentives that benefit a small politico-bureaucratic nexus. That game is now transparent and any ruling party that continues to support these dinosaurs in their death throes must be held accountable and answerable by the nation.

Finally, S.A.Khan examines the potential of homestead gardens in alleviating the nutritional

deficiencies common to most people in Bangladesh and in serving as a source of income. Additional benefits contributing to ecological balance and better living conditions are also explored. Among the important observations are the maintenance of species density and diversity and their interactions, the cycling and recycling of nutrients, archiving of indigenous knowledge of “farmers as researchers,” protection of the gene bank of plants, and training and extension support to those who contribute a significant proportion of labor for home garden management (the women and children), to enhance productivity of the homestead gardens.

We will strive to publish thought-provoking essays in JBS and look forward to the contributions of experts, critics, and our enlightened subscribers to propel JBS forward in its mission. I would also like to take this opportunity to thank a wonderful team of editors and manuscript reviewers who continue to provide selflessly of their time. To a large measure the growth of JBS is the result of their diligence and hard work. Thanks are also due to Sue Pennington of the School of Business at Penn State Erie for attending to the typing and formatting of the papers and to Erin McCarty for the painstaking work of editing of the manuscripts.

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