

ABSTRACT

A study was undertaken entitled 'Industrial Policy 2005 of Bangladesh: A Critical Analysis of Achievements and Challenges'. The objectives of the study were i) to find out the extent of achievements of IP 2005 especially the SME sector as per its objectives laid out in IP 2005 and ii) to find out the challenges in the IP 2005 and obstacles that impedes implementation of the SME policy strategy and come up with possible recommendations. In the beginning of this research literature review has been done. Theories and the context of the IPs, trends of the IPs in Bangladesh, the importance of the SMEs and various analytical frameworks for the policy implementation have been widely discussed. Analytical framework given by Grindle (1980) has been selected to be tested in aiming to find out a policy implementation framework in regard to implementation process of IP 2005. The researcher relied upon secondary data and personal observations. The findings of this research revealed some policy outcomes and policy failures. Achievements that have been identified as the outcome of IP 2005 are establishing of private EPZ, Accreditation Board, SME policy framework, SMEF, offering CIP award to NRB entrepreneurs, launching of SME web portal are the important ones. The policy failures that have been revealed in this study are: The month of January still has not been declared as a month of productivity; a national 'Excellence in Productivity and Quality' is yet to launch; the productivity development program has not yet been declared and accepted as national movement; a productivity 'Data Bank' has not been established yet; regular broadcast through radio and television on the importance of productivity is yet to start; a women bank has not yet been initiated; 'Independence Day Award' recognizing the special contribution of entrepreneurs to the industrial sector is yet to put into effect; no meeting of NCID has been held till August 2008 since the formulation of IP 2005; meeting of OGC was held only four times till 2006 and after that time no meeting has been held till August 2008 and no sub-committee meeting was held after formulation of IP 2005.

However, some challenges have been found out. Among these challenges, some are in-built in the policy. Over emphasis on privatization process, weak mechanism of implementation and monitoring, inconsistencies of the objectives and strategies of IP 2005 are the major content challenges of IP 2005. Contextual challenges of IP 2005 are: downward flow of FDI to Bangladesh, increasing poverty rate due to global and national socio-economic events, lack of interests of bureaucrats and agency managers in implementing the policy plans related to productivity etc. are note worthy. These challenges of the content of IP 2005 are mainly associated with the reasons of lack of mastery over policy formulation and lack of required understanding of the policy actors, especially of the bureaucrats. The remaining contextual challenges are not related with the expertise of the bureaucrats, the important policy actors. But the challenges related to context are closely linked with the political instability of the country. The framework that has been obtained through this study states that a total of 50 per cent implementation failures in the process of IP 2005 have been occurred due to inefficiency and inertia of the bureaucrats. And 40 per cent implementation failures happened due to political instability triggered by the political events which took place at the end of 2006 and onwards. Only one-tenth of the total implementation failures of IP 2005 is linked with the funding problem. Though the public policy process is thought or considered as a political process, finding of this study suggests that the role of the permanent bureaucracy is crucial in the process of policy implementation. Another idea has also been evolved through this study. Involving of the development partners play a successful role in materializing the public policy process in Bangladesh. Policy plans related to SME promotion have almost come to a state of reality because of the direct involvement of ADB with the MOI. Some recommendations have been given to address the state of implementation failures for the consideration for the policy actors involved in the public policies of the GOB.