

## **Review of Abul Barkat's On the Larger Canvas of Society-Economy-State**

JEL Classification Y30 ·Y50

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**“Boro pardaay shomaaj-orthoniiti-rastro bhairaser mohabiparjoy theke  
shovon bangladesher shondhane”**

[In search of a transition from the virus-driven disaster to a decent Bangladesh:  
on the larger canvas of society-economy-state]

### **An exploration of the book "On the larger canvas of society-economy-state**

Dr Abul Barkat, an Economics Professor at the University of Dhaka in Bangladesh, a former Chairman of Janata Bank Ltd, and an elected president of Bangladesh Economic Association, wrote many books and articles on the economy of Bangladesh. His latest book "On the larger canvas of society-

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economy-state" published in November 2020 will be a focus of my exploration. The book introduces a concept of "Decent Society" that echoes the promised dream by Sheikh Mujibur Rahman.

The author presents a picture depicting a clogged economic system that has reached an impasse; an old ailing system that is crumbling under the prospect of its replacement with a new healthy one. Barkat sheds light on a "socialist system" that is dynamic and progressive, owned by the majority of people, managed by the state. The embodiment of the "Decent Society" is nature centred multidisciplinary economy connected with social foundation, economic foundation, and political foundation. He asserted human fighting against nature is an unwinnable war that never declared war against us rather gave us everything for our survival. However, a small group of people manipulate public policy or economic conditions as a strategy for increasing profits (rent-seeking), creating war against neighbours, groups, nations. It is for the brutal profit for greater dominance, a senseless drive towards more power that has no values to the majority. In this book he highlights the transformation from feudalism to corporate capitalism (imperialism) and tyrannous processes embedded into this system created by the super-rich. The global corporate repugnant power making governments around the globe powerless by using various mechanisms such as IMF, World Bank, ADB and other. The book offers an exit strategy to make a pathway to "Decent Society".

Barkat unfolds issues step by step, keeps readers wondering, but annoying some as it could appear as a utopia, however, for the most this dream has always lived deep in the back of their minds - a decent state system. He conveyed in the book the concept that is not a copy of the socialism in USSR, China, Sweden, Denmark, or Norway. It is a new approach based on extensive analyses of society, economy and state, a triangular approach reforming the old system by rebuilding "Decent Social System", "Decent Economic System", and "Decent State System". It disapproves private ownership and promotes an idea that from natural resources to means of production, ownership will belong to the majority of people, and managed by state or joint co-operative. Transitional processes for achieving the ideal state of a Decent Society" concept can involve many intermediate stages, a "Decent Society" aims to reduce inequalities in income, education, health, wealth, and more.

Between the lines in the book, it raises many questions for readers: how to cause changes in this global authoritarian environment; what kind of reaction we will face with corporate capitalism; how to put out fires between rich and poor without the encroachment of "colour revaluation" as a pretext for regime change; who takes the lead, who makes the risk. Certainly, the scope of the book is not about addressing these questions nonetheless, this book that has many

dimensions, a living document that will develop even further. One must read it to expand the gravitas of thinking, find out what has been ransacked and where we fit on the larger canvas of society-economy-state.

### **Flawed Imperialism**

Barkat's views indicate that corporate capitalism (imperialism) is at an impasse, so a transition is inevitable. Corporate capitalism is a governing system or mechanism that allows an elite minority to control markets, government policies and strategies, banks and anything that generates huge profits for their business, using every possible means, such as religion, financing and arming people against people and government. Furthermore, removing governments and killing progressive leaders such as Sheikh Mujibur Rahman (Bangabandhu) in Bangladesh, president of Congo, Patrick Lumumba, president of Chile, Salvador Allende, as well as hundreds of thousands of humans has become a normal phenomenon. Bangabandhu, the founding father of a nation who dedicated his life to building a nation that most people would own, dreamed of building a decent Bangladesh based on four principles: national language, socialism, democracy and secularism, but he was killed, a serious crime in the eyes of the majority, but profitable for those who have been appointed under the shadow of corporate capitalism. The system is imperfect, it is not designed to improve the living conditions of the majority, which has been clearly demonstrated, regardless of military rule, dictatorship, democracy, after the assassination of Bangabandhu, inequality in income and wealth in the country increased.

### **Inequality analysis**

Analysis of Barkat's inequality between rich and poor in Bangladesh after the assassination of Sheikh Mujibur Rahman paints a grim picture that calls into question the validity of the constitutional obligation. He wrote, according to the constitution of Bangladesh, "the state will try to create conditions, as a general principle, that no one person can receive unearned income." However, after the assassination, all financial, administrative, law enforcement and justice were controlled by a group of people who ultimately controlled the country's politics and population. All of which raises questions: why are the government's sources of revenue shrinking and the number of the super-rich in the country growing; why is the total amount of black money in Bangladesh around 33.3% of GDP (2018-19); why Bangladesh's total bank lending in 2019 was double the current budget, of which 16.85% were borrowed by 20 people; why are most of the country's financial assets in the hands of a small group. In addition, the impact of

globalization, the impact of labour exports and the negative-sum game, the planned introduction of the dollar as the world's trading currency, traps and gimmicks under the WTO agreement are all aimed at generating more profits, deeper exploitation and resource capture. The end result appears to be an increase in net loss and dependency. It shows the difference between economic growth and real growth, which continues to move in the opposite direction as most people's lifestyles become harder.

### **Economic Impact of the Covid-19**

Barkat presented the economic impact of the Covid-19, including analysis of real loss and introduced primary activities required to move forward. He advocated moving from a society of inequality, further influenced by Covid-19, to a society of equality, while knowing both the negative and the positive elements in the big picture. In particular, a list of negative elements such as the world's richest 1%, owning 50% of the world's food, and the poorest 50%, owning only 1% of the world's food, clearly shows how unfair and unequal our society is. Likewise, the list of positive elements is encouraging, such as "Black lives matter," "All lives matter," etc. Most people have come to realize that income inequality, wealth inequality, health inequality, educational inequality are the root causes of problems in society, and these must be addressed. Considering the impact of Covid-19 and all other constraints on inequality, he presented a model that provides a coping strategy, including detailed analysis, facts and figures. Recommendations include allocating funds for those suffering from Covid-19 and where to get money for their urgent needs, how to create new jobs, economic security, human security, domestic market and how to implement them. He opposed cash incentives in a rescue package for any business owned by wealthy people. Among other things, to overcome economic difficulties, he advocated abandoning the neoliberal recipe, for the participation of the World Bank, IMF, ADB in political and economic protection. Barkat's recommendations not only provide a logical exit strategy from the unrest associated with COVID-19, but also provide a roadmap for moving towards an equality for all" society.

### **Socio-Economic Reconstruction Model**

Barkat's analysis of the current economic impact of Covid-19 and socio-economic conditions in Bangladesh is much-needed work. He proposed a model of socio-economic construction for simultaneously overcoming two major crises, including analysis, rationale and results. To identify the losses from Covid-19 and overcome this crisis, the proposed model has four key components: 1. Cost

reduction 2. Debt restructuring 3. Redistribution of wealth among the poor by reforming the tax system. 4. Printing extra money when necessary to encourage the purchasing power of most people to meet their basic needs and therefore increase the velocity of money circulation. It is an economic model that is logical, tangible, and achievable. The recipe for overcoming all possible obstacles caused by Covid-19 and socio-economic conditions is detailed in the book.

This analysis covers nearly all sectors of Bangladesh's economy and provides constructive, nature-oriented guidance in the quest for equity and the management of financial redistribution. He proposed maintaining balanced retail prices for consumer goods to avoid serious economic consequences; reduce the discrepancy between the budget surplus and the current account; eliminate the main problems in the banking sector; reduce barriers to agricultural, land and national education policies. He proposed to establish a Royal Commission every year to prepare the budget with the assistance of independent experts; disapproval of any foreign tax practice, assignment of tax identification numbers; increasing government revenues through the use of black money, money laundering tax, taxing online commerce, taxing wealth, and more. Implementation of these recommendations could empower the government, create jobs and improve living conditions.

### **Alternative Budget**

Barkat's alternative proposed budget for 2020-2021 can be described as an economic masterpiece. All possible socio-economic aspects of the life of the people of Bangladesh experiencing the Covid-19 crisis were considered. Several components of the alternative proposed budget include new revenue streams that could bring financial confidence in the economic recovery.

Specifically, the alternative proposed income was 3.3 times the state budget (2019-2020), while the spending was 2.89 times the government spending. Moreover, state revenues can provide 90.6% of budget allocations. The bond market could collect the remaining 9.4% of the budget, the alternative proposed budget was 54.9% of GDP, and the state budget was 23.2% (2019-20). It did not include any foreign borrowing and did not encourage foreign borrowing, as to avoid paying interest on loans and other coercive conditions. The objectives of the alternative proposed budget were to reduce inequalities in income, education, health and welfare. It increases income through the introduction of a wealth tax, income tax, tax on black money and other sources, which account for 26.04% of additional income for a healthy budget. In other words, the government's proposed budget for 2019-2020 was 3 lakhs of 81,978 crores (taka), while

Barkat's alternative proposed budget for 2020-2021 was 12 lakhs of 61,600 crores (taka), which was fully funded by income sources. Details of income and expenses are professionally described and confirmed by statistics.

Alternative proposed budget strategies empower the government, ensure political stability, economic confidence, and initiate movement towards building a democratic society with dignity.

### **Hypothetical Social Structure of a Decent Society**

The conceptual theory of a "Decent Society" is based on a democratic state system, which puts loyalty to nature at the forefront, all socio-economic and political foundations should be built on the basis of the influence of nature. As for the socialist revolutions that took place in the USSR, China and Vietnam, where, under the control of a party representing the workers (proletariat, a separate group), the property of individuals, industrialists, farmers was seized, this is not socialism, but "State Capitalism". On the contrary, Barkat proposed a system of governing the people with the consent of the majority, which does not transfer power to one group. In a "Decent Society" there will be no bureaucracy, governance will be based on the consent of the people, and local governments will be the main unit of administration.

Barkat does not provide any specific fixed recipes for defining a social system for any particular community or state, since this is a concept that requires further discussion and analysis. This may mean that the adaptation of the concept is country and context dependent. For example, most people in Bangladesh would accept this concept according to their socio-economic conditions. Instead of a triangular approach ("Decent Social System", "Decent Economic System", and "Decent State System"), it could be expanded to a four-pillar approach ("Decent Social System", "Decent Economic System", "Decent State System" and "Decent Judicial System"). The addition of the "Decent Judicial System", specific to Bangladesh, provides indicators of the effectiveness of the judiciary in combating corruption, provides guidance to law enforcement agencies, and tests the accountability of various authorities to communities and the state.

Likewise, the local community is made up of a certain number of people who agree to prioritize the production, education and health care needed by the community, including the improvement and conservation of nature. The community delegates responsibility for marketing or production to cooperatives, which are assigned to different people depending on skills and abilities. Cooperatives share profits based on the rate of contributors. The community also allocates funds for all other needs in the community and state, encourages

motivation by providing good incentives for innovative and creative people, and develops incentive benefits. All non-community activities, collaborative projects, school systems, health systems are based on common interests, representing members and experts from each community.

Each community adheres to the law enforcement rules defined by the larger communities for the state. Representatives of larger communities are chosen on the basis of rules and merit, therefore, government is governed by democratic consent. The government does not interfere in determining the operational activities of the communities. The government acts as a federal system with limited power. Moreover, government representatives are elected through a democratic process by majority vote. The taxation system and distribution of funds for national projects are determined by experts and agreed with the majority of representatives of the communities.

At the initial stage of the transition process, the state does not nationalize any assets from anyone, instead imposing a higher tax to distribute profits to improve living conditions, social system and infrastructure. Certainly, the adaptation of any approach requires following the core principles of the "Decent Society" concept to achieve the outcomes.

## **Conclusion**

The concept of a Decent Society" presented in the book is well analyzed and represents a comprehensive proposal for improving the situation of people. The timing is perfect for such a vision as Covid-19 has changed the global economy and living conditions, in particular, the new concept of multidisciplinary nature-oriented economics proposed by Barkat is likely to be welcomed by people. Moreover, the current political climate in Bangladesh is appropriate. It would be fair to say that the father of the nation, Sheikh Mujibur Rahman, did not have a chance to build his own dream country. His own daughter, the prime minister, Sheikh Hasina could fulfil his dream. Her political thinking and actions changed and improved the position of women in Bangladesh, she achieved a lot, but still she did not change the fate of the country as her father did in 1971. She would be the perfect choice to lead Bangladesh that her father always dreamed of. The proposed new concept could be a means to preserve the legacy of Sheikh Mujibur Rahman's family through her daughter that will create a decent state and unite the majority people of Bangladesh the way her father did. It will be the birth of a nation's daughter, a completion of an unfinished job that has not been cemented with a decent social system, a unique history of a father and daughter that will be immortal.

This book has demonstrated Barkat's prudent economic logic, deep understanding of economics, and his vast historical and contemporary economic knowledge of the world. This is a must-read book for economists, politicians, senior officials of the Ministry of Economy, and anyone interested.